

Authors

Daria Efanova
Head of Research

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Daily Base Metals Report

US stocks are closed for the Martin L. King's celebrations today, but stock futures slipped slightly. Meanwhile, European stocks continued upward, following the last two weeks' notable performance. This week's key events are the ECB minutes and the CPI reading, with the latter expected to soften to 9.2%. In addition, several Fed officials will also be attending the Davos forum this week, providing clues regarding the next meeting trajectory. Elsewhere, the BOJ opened the door to speculations surrounding the monetary policy moves in the upcoming meeting on Wednesday. While most economists anticipate no change in the policy this week, more have brought their forecast forward for a policy shift, given the surprise band adjustment decision in December.

Sentiment soured across the base metals complex today as the risk-off sentiment took hold. In particular, the iron ore futures tumbled by \$5.75/mt after China pledged to tighten the controls on prices given the recent rally; the metal now trades at \$118/mt. Copper weakened following seven days of gains but remained supported above \$9,100/t to settle at \$9,104.50/t. Likewise, lead and zinc saw some marginal declines, falling to a close at \$2,251/t and \$3,304.50/t, respectively. Aluminium, on the other hand, managed to trend higher, breaking above the resistance of \$2,600/t to settle at \$2,621/t; the cash to 3-month spread strengthened into -\$27.00/t. China's GDP figure is out tomorrow and is forecast to have grown by 1.6% y/y; consumer activity likely declined further in December. Even with the reopening earlier this month, we do not anticipate seeing tangible growth in the real sector for months. Only following the rebound in economic activity following the Lunar New Year celebrations would we expect the government to introduce traditional support measures to stimulate the economy.

European gas prices gained 6.55% during the day, driven by the cold winter snap across the bloc this week. Given historically low temperatures during the end of January and February, energy prices might see some upside in the near term. Still, European LNG inventories remain high, just under 90% of the storage filling level, alleviating supply tightness. Gold and silver weakened slightly to \$1,914/oz and \$24.23/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2600	2630	2583	2621	2590	18576	563227	-27.00	118.07
Copper	9231	9237	9095	9104.5	9240	10321	259028	-17.00	412.89
Lead	2241	2250	2206	2218	2245	3901	118090	31.00	100.47
Nickel	26915	27500	26340	27217	27000	1468	134087	-196.00	1233.78
Tin	29300	29400	28110	28466	28630	392	14695	-53.00	1286.85
Zinc	3320	3362	3280	3304.5	3320	6438	200717	19.00	148.92
Total:						41096	1289844		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2603	2624	2780	2855	2566.35	2595	2384.55	2417
Copper	9145.5	9174	9131	9058	9168.55	9185.5	8718.1	8740.1
Lead	2288	2245	2230	2220	2271	2251	2257.25	2222.1
Nickel	27100	27160	28850	29188	26599	26795	28070	28277.5
Tin	28125	28500			28677	28756	26258	26358.5
Zinc	3352	3317	3067.5	2853.5	3348.25	3324	3140.6	3119.45

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	403250	0	3600	-3600	399650	209475	190175	Comex, USc/lb		
Copper	83850	0	250	-250	83600	22625	60975	MAR 23	407.75 1.27	
Lead	21550	0	25	-25	21525	11400	10125	MAY 23	407.9 1.23	
Nickel	53262	150	144	6	53268	8418	44850	Shanghai, CNY/mt		
Tin	3050	0	75	-75	2975	265	2710	23-Jan	67450 1.46	
Zinc	20975	0	475	-475	20500	9850	10650	23-Feb	67390 1.32	

Global Markets		Currencies		Precious Metals		Previous Day's Fix			
Last	% Change	Last	% Change	Last	% Change	AM	PM		
DAX	15134	0.31	GBP	1.2207	-0.1636	Gold	1914.26	-0.3109	1907.15
DJI	34303	0.33	JPY	128.6000	-0.5677	Silver	24.21	-0.2267	2367.5
S&P500	3999	0.40	EUR	1.0824	-0.0554	Gold Comex	1917.3	-0.229	
SSE	3228	1.01	CNY	6.7387	-0.5595	Platinum	1068.51	-0.0655	
Hq Senq	21747	0.04	AUD	0.6957	-0.1579	Palladium	1756.87	-2.0047	
Brent	84	-1.17	RUB	118.6895	1.4433				

Source: Bloomberg
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All price data is from 16.01.2023 as of 17:30

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