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Daily Base Metals Report

US stocks opened today on the back foot following the release of another batch of corporate earnings results and preliminary purchasing managers' index data. Both the manufacturing and the service sectors outperformed previous months' levels and, in turn, market forecasts, underscoring the resilience of both the manufacturing and consumer segments. Likewise, a similar improvement was seen in Europe, with the service industry tipping into the expansionary territory for the first time since July. This has further reaffirmed the central banks' hawkish stance in the coming months. In particular, Christine Lagarde reiterated the central bank's resolve for further robust tightening in the next couple of months, underlying the speculation of a 50bps hike in February and 50bps in March. The dollar index edged lower, and the euro saw its recent gains stall against the greenback. The 10yr US Treasury yield held at 3.50%.

Sentiment improved slightly in the latter half of the day across the base metals, supported in part by better-than-expected US manufacturing and service sectors. We have seen exaggerated moves from nickel and lead, rallying higher by more than 4.0% on the day as a result. Nickel broke above the \$29,000/t level but struggled to remain above that level, settling higher at \$28,782/t; cash to 3-month continued to ease further into contango at -\$215/t. Lead jumped back above \$2,100/t, offsetting nearly two days of losses; the metal ended up closing higher at \$2,126/t. Other metals have also benefitted from better-than-expected US data, but the moves have been marginal. Aluminium remained broadly unchanged at \$2,650.50/t. Zinc fluctuated but closed slightly higher on the day at \$3,429/t.

Oil futures weakened today, with WTI and Brent falling down to \$80/bl and \$86/bl. Precious metals bounced back from the earlier dip; gold and silver remained broadly unchanged, as a result, at \$1,931/oz and \$23.60/oz, respectively.

| | Open | High | Low | 5pm Close | PDC | Volume | Total O.I | Spreads | Conversion |
|-----------|-------|-------|-------|-----------|-------|--------|-----------|---------|------------|
| | | | | | | | | C-3M | USc/lb |
| Aluminium | 2630 | 2661 | 2623 | 2650.5 | 2631 | 9776 | 542434 | -30.75 | 120.02 |
| Copper | 9356 | 9402 | 9261 | 9314.5 | 9354 | 8423 | 253286 | -23.49 | 422.39 |
| Lead | 2060 | 2139 | 2055 | 2126 | 2049 | 4840 | 112619 | -5.40 | 96.66 |
| Nickel | 28620 | 29340 | 27910 | 28782 | 28500 | 1573 | 133360 | -221.00 | 1313.39 |
| Tin | 29695 | 29995 | 29430 | 29960 | 29590 | 132 | 13906 | -60.00 | 1357.84 |
| Zinc | 3415 | 3440 | 3367 | 3429 | 3416 | 5305 | 203365 | 18.25 | 155.22 |
| | | | | Total: | | 30049 | 1258970 | | |

| Official Prices | | | | | | | | Monthly Avg | |
|-----------------|--------|-------|----------|----------|---------|--------|--|-------------|------------|
| | Cash | 3m | Dec Yr 1 | Dec Yr 2 | PD Cash | PD 3M | | Cash | 3M |
| Aluminium | 2594.5 | 2627 | 2790.5 | 2867.25 | 2605.3 | 2636.5 | | 2459.875 | 2490.65625 |
| Copper | 9308 | 9335 | 9235.5 | 9135.5 | 9330.77 | 9356 | | 8925.09375 | 8943.15625 |
| Lead | 2063 | 2068 | 2151 | 2141 | 2049 | 2055 | | 2219.03125 | 2195.375 |
| Nickel | 28110 | 28525 | 30349 | 31199 | 27895 | 28110 | | 27971.5625 | 28203.75 |
| Tin | 29950 | 29950 | | | 29475 | 29503 | | 27319.0625 | 27388.75 |
| Zinc | 3420.5 | 3402 | 3201.5 | 2962.5 | 3439.75 | 3420.5 | | 3236.3125 | 3217.5 |

| LME Stocks (tonnes) | | | | | | | | Other Copper Markets | | |
|---------------------|---------|------|------|------------|---------|------------|--------------|----------------------|--------|----------|
| | Opening | In | Out | Net Change | Closing | C-warrants | Open Tonnage | | Last | % Change |
| Aluminium | 375950 | 7575 | 1975 | 5600 | 381550 | 186900 | 194650 | Comex, USc/lb | | |
| Copper | 78300 | 850 | 1000 | -150 | 78150 | 28700 | 49450 | MAR 23 | 425.15 | 0.47 |
| Lead | 20250 | 0 | 0 | 0 | 20250 | 3300 | 16950 | MAY 23 | 425.75 | 0.46 |
| Nickel | 50838 | 0 | 168 | -168 | 50670 | 6504 | 44166 | Shanghai, CNY/mt | | |
| Tin | 2945 | 0 | 0 | 0 | 2945 | 390 | 2555 | 23-Feb | 0 | 0.00 |
| Zinc | 18625 | 0 | 0 | 0 | 18625 | 8550 | 10075 | 23-Mar | 0 | 0.00 |

| Global Markets | Currencies | | | | Precious Metals | | | | Previous Day's Fix | |
|----------------|------------|-------|-----|----------|-----------------|------------|---------|----------|--------------------|---------|
| Last | % Change | | | Last | % Change | | Last | % Change | AM | PM |
| DAX | 15093 | -0.07 | GBP | 1.2332 | -0.3797 | Gold | 1933.34 | 0.1191 | 1927.2 | 1914.85 |
| DJI | 33633 | 0.01 | JPY | 130.0500 | 0.4767 | Silver | 23.63 | 0.7528 | | 2367.5 |
| S&P500 | 4013 | -0.16 | EUR | 1.0875 | 0.0276 | Gold Comex | 1951 | 0.288 | | |
| SSE | 3265 | 0.76 | CNY | 6.7845 | -0.1327 | Platinum | 1058.99 | 0.7516 | | |
| Hg Seng | 22045 | 1.82 | AUD | 0.7041 | 0.1707 | Palladium | 1745.6 | 2.0222 | | |
| Brent | 87 | -1.68 | RUB | 118.6895 | 1.4433 | | | | | |

Source: Bloomberg
Updated: 24/01/2023 17:14

All price data is from 24.01.2023 as of 17:30

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