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Daily Base Metals Report

US stocks weakened as markets braced for the Federal Reserve decision later tonight, while markets digested another batch of economic releases. US private payrolls data pointed to more openings, increasing to 11m in December, underscoring the steady easing in the labour market. Meanwhile, US manufacturing gauge weakened for the fifth straight month, falling to 47.4, May 2020 lows. The dollar and the 10yr US Treasury yield both weakened. European stocks edged higher following the inflation data that pointed to faster-than-expected cooling, with year-on-year inflation growing at 8.5%; core reading remained sticky at 5.2%.

The mood soured across the metals market today, but volumes were low and declines marginal, with most metals closing broadly unchanged. Aluminium softened today, testing the support level of \$2,585/t before settling slightly higher at \$2,631.50/t; cash to 3-month spread remained at -\$33/t. Likewise, copper weakened below \$9,150/t, after prices struggled above \$9,500/t. Nickel decline was slightly more robust, as the metal settled at \$29,296/t. Lead and zinc also closed lower at \$2,138.50/t and \$3,349.50/t, respectively. The short-term indicators indicate an improving momentum in China. PMIs showed a slower pace of contraction, and other sources pointed to a sharp improvement into an expansionary territory. NBS pointed to an expansion, with manufacturing and non-manufacturing industries improving to 50.1 vs 54.4, respectively. Caixin pointed to a slower factory contraction, at 49.2 from 49.0 in December. Smaller firms and exporters are seeing greater headwinds amid weaker foreign demand.

Oil traded in a narrow range ahead of the Fed meeting, with WTI and Brent remaining at \$78/bl and \$84/bl. Gold and silver remained at \$1,928/oz and \$23.60/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2642	2648	2585	2631.5	2648	15506	575004	-33.00	119.16
Copper	9254	9260	9077	9087	9279	13290	250758	-26.00	412.32
Lead	2137	2175	2127	2138.5	2138	4436	110807	-11.50	96.91
Nickel	30730	30730	29120	29296	30410	1641	135568	-191.00	1326.77
Tin	29820	29880	28500	28813	29550	340	14119	-78.57	1306.95
Zinc	3405	3425	3310	3349.5	3402	7379	210276	25.75	151.41
Total:						42592	1296532		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2611	2644	2801.75	2872.25	2613	2644	2611	2644	
Copper	9175	9202	9134.8	9044.8	9199.55	9222.5	9175	9202	
Lead	2145	2154	2160.5	2150.5	2128.5	2136.5	2145	2154	
Nickel	30060	30350	31836	32636	30153	30344	30060	30350	
Tin	29550	29625			29431	29490	29550	29625	
Zinc	3439.5	3404.5	3119.5	2880.5	3418.76	3389	3439.5	3404.5	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	407325	0	3175	-3175	404150	173025	231125	Comex, USc/lb		
Copper	75225	800	1650	-850	74375	19425	54950	MAR 23	422.6 0.57	
Lead	20250	0	25	-25	20225	3375	16850	MAY 23	423.45 0.55	
Nickel	49374	0	288	-288	49086	6312	42774	Shanghai, CNY/mt		
Tin	3015	0	0	0	3015	460	2555	23-Feb	69520 0.22	
Zinc	17250	0	775	-775	16475	7875	8600	23-Mar	69560 0.16	

Global Markets		Currencies		Precious Metals			Previous Day's Fix			
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	15181	0.35	GBP	1.2303	-0.1380	Gold	1924.94	-0.1774	1905.2	1923.90
DJI	33813	-0.80	JPY	129.3100	0.6032	Silver	23.53	-0.8651		2299.5
S&P500	4065	-0.28	EUR	1.0918	0.5063	Gold Comex	1940.4	-0.252		
SSE	3285	0.90	CNY	6.7410	0.2121	Platinum	999.37	-1.4904		
Hg Seng	22072	1.05	AUD	0.7069	0.1984	Palladium	1646.2	-0.4313		
Brent	84	-1.85	RUB	118.6895	1.4433					

Source: Bloomberg
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All price data is from 01.02.2023 as of 17:30

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