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Daily Base Metals Report

US stocks jumped higher today following yesterday's decision by the Fed to increase interest rates by 25bps. At the same time, the Fed's Powell stated that the debt ceiling level should be raised of the government, which is to pay all of its obligations when it is due. The markets have also raised their expectation of rate cuts, with forward swaps pricing in a change of -21bps in December meeting, despite policymakers saying they do not think they will cut rates this year. The sentiment was further accelerated as other central banks joined in their rhetoric to fight inflation. Both the ECB and BOE increased their interest rates by 50bps, with the former stating that a similar-sized hike in March is warranted. The US initial jobless claims fell once again, declining to 183,000 in the week ending January 28th. Tomorrow's job report is expected to have increased by 190,000 in January, in line with January 2021 lows. The dollar regained upside conviction, after rejecting the support at 100.80, and the euro weakened after testing resistance of 1.1; the 10yr US Treasury yield fell to 3.36%.

Metals opened higher following the Fed's decision to increase rates by 25bps, but these gains struggled to hold in the former part of the day. Latter decisions by the ECB to hike by 50bps have helped drive the prices back up to opening levels. Copper opened at \$9,200/t, but weakness prevailed during the day, pushing prices below \$9,100/t to \$9,052.50/t. Nickel rebounded from the lows of \$29,000/t in the latter part of the day to \$29,790/t. Aluminium, on the other hand, struggled to break above the resistance of \$2,640/t, as the metal settled at \$2,617/t. Lead and zinc closed marginally unchanged at \$2,133/t and \$3,82.50/t, respectively. SHFE closed on the back foot with insufficient upside momentum. We have seen some downstream players return and make enquiries, but many players are standing on the sidelines waiting for prices to show a clear direction before joining in the trend. Markets will continue to watch out for China's economic high-frequency indicators to gauge market appetite.

Oil futures slid marginally, with WTI and Brent settling at \$76/bl and \$82/bl. Gold and silver weakened sharply following a jump in the dollar, settling at \$1,916/oz and \$23.50/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2627	2649	2588	2617	2606	19247	577793	-33.99	118.80
Copper	9178	9223	9044	9052.5	9054	16529	254004	-24.00	411.05
Lead	2141	2172	2125	2133	2140	4257	110255	-12.25	97.00
Nickel	29000	30000	28635	29790	29000	1909	136785	-204.00	1343.55
Tin	29100	29595	28810	29377	28955	297	14271	-88.85	1327.00
Zinc	3348	3391	3307	3382.5	3320	7880	207064	29.00	152.25
					Total:	50119	1300172		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg
							Cash 3M
Aluminium	2572.5	2609	2783.01	2858.01	2597.25	2631.5	2591.75 2626.5
Copper	9114	9135.5	9004.05	8914.05	9060.5	9087	9144.5 9168.75
Lead	2131	2140	2154.75	2144.75	2127	2138.5	2138 2147
Nickel	28735	29000	30750	31550	29092	29296	29397.5 29675
Tin	29250	29300			28734.43	28813	29400 29462.5
Zinc	3350	3325	3152.5	2913.5	3375.25	3349.5	3394.75 3364.75

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	404150	0	4550	-4550	399600	168475	231125	Comex, USc/lb		
Copper	74375	200	2125	-1925	72450	17300	55150	MAR 23	422.6	0.57
Lead	20225	0	0	0	20225	3375	16850	MAY 23	423.45	0.55
Nickel	49086	0	414	-414	48672	6930	41742	Shanghai, CNY/mt		
Tin	3015	0	0	0	3015	460	2555	23-Feb	69520	0.22
Zinc	16475	0	0	0	16475	8125	8350	23-Mar	69560	0.16

Global Markets

	% Change			Last	% Change		% Change	Previous Day's Fix
								AM PM
DAX	15509	2.16	GBP	1.2257	-0.9615	Gold	1918.07	-1.6637 1925.6 1925.90
DJI	33938	-0.46	JPY	128.4600	0.4048	Silver	23.54	-1.8375 2349.5
S&P500	4176	1.37	EUR	1.0916	-0.6733	Gold Comex	1932.5	-0.530
SSE	3286	0.02	CNY	6.7310	0.1664	Platinum	1023.09	1.4688
Hg Seng	21958	-0.52	AUD	0.7081	-0.7846	Palladium	1650.27	-1.3563
Brent	83	0.10	RUB	118.6895	1.4433			

Source: Bloomberg
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All price data is from 02.02.2023 as of 17:30

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