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FRI 17 FEBRUARY 2023 00:10

Daily Base Metals Report

US stocks steadied, and the dollar slipped back to 103.92 today. With the earnings season mostly over, data points to shrinking margins for many S&P 500 companies. While they are still above pre-pandemic levels, the reduced level of profits could be a sign that job cuts are further down the line. We have seen some banks and tech companies already cutting the workforce, but this is more likely due to overstaffing in previous years. The 10yr US Treasury yield settled higher at 3.82%. US household debt soared by the biggest amount in two decades to \$394bn, a follow-up from a stellar retail sales performance, highlighting that consumers are relying more on credit than on personal savings; mortgage balances drove the increase. Meanwhile, producer prices jumped by 0.7% m/m, the biggest increase since June, citing energy prices as the key source of the increase.

Base metals sentiment improved today following consecutive negative sessions in recent trading sessions. Aluminium found support at \$2,370/t to rebound to settle just below \$2,400/t at \$2,394/t. SHFE aluminium closed the day marginally unchanged at CNY2,681/mt; the anticipated output reduction enforcement has not come to fruition, as social inventory continues to rise. Copper once again struggled below \$8,817/t, jumping higher during the day back above \$9,000/t to \$9,023/t. Front-end spreads for both metals remain in contango, as demand for the material is not yet emerging. Lead and zinc closed slightly lower at \$2,029.50/t and \$3,003.50/t, respectively; the stock level for both continue to improve and now stand at 24,700mt and 29,850mt, respectively.

Oil futures remained unchanged after the OPEC+ alliance said that it would stick to the oil deal agreed in late 2022 for the rest of the year. WTI and Brent now trade at \$78/bl and \$85/bl. Precious metals also wavered but settled slightly higher on the day at \$1,840/oz and \$21.71/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2389	2412	2367	2394	2385	16459	585843	-39.75	109.32
Copper	8868	9033	8857	9023	8868	15814	239209	-31.50	409.42
Lead	2055	2069	2023	2029.5	2050	5572	104785	-12.75	92.87
Nickel	26000	26665	25974	26489	25990	1485	137222	-235.00	1201.53
Tin	26755	27115	26600	27004	26500	296	13610	-198.00	1223.58
Zinc	3011	3053	2983	3003.5	3005	8330	199266	27.25	137.10
Total:						47956	1279935		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2341.5	2382	2573	2663	2348	2384.5	2459.416667	2495.666667	
Copper	8892	8932	8958.2	8898.2	8826.75	8857.5	8960.958333	8989.375	
Lead	2034	2047	2058	2048	2039.75	2052.5	2099.875	2106.666667	
Nickel	25860	26000	27897	28667	25908	26143	27462.08333	27704.16667	
Tin	26700	26950			26451	26658	27690	27833.33333	
Zinc	3035	3007	2840	2670	3037	3018.5	3188.875	3159.958333	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	602150	0	4325	-4325	597825	145750	452075	Comex, USc/lb		
Copper	65975	0	1000	-1000	64975	9275	55700	MAR 23	401.05 -1.58	
Lead	24500	200	0	200	24700	5375	19325	MAY 23	402.15 -1.70	
Nickel	46566	0	1134	-1134	45432	2874	42558	Shanghai, CNY/mt		
Tin	3145	15	90	-75	3070	745	2325	23-Feb	0 0.00	
Zinc	25075	5150	375	4775	29850	6575	23275	23-Mar	68260 -0.86	

Global Markets		Currencies		Precious Metals		Previous Day's Fix			
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15534	0.18	GBP	1.2008	-0.1829	Gold	1840.68	0.2544	1835.45
DJI	33933	-0.57	JPY	133.9900	0.1269	Silver	21.68	0.2566	2147
S&P500	4122	-0.62	EUR	1.0683	-0.0561	Gold Comex	1850.3	0.271	
SSE	3249	-0.96	CNY	6.8592	-0.0612	Platinum	930.74	1.4563	
Hg Seng	20988	0.84	AUD	0.6889	-0.2028	Palladium	1523.21	3.7885	
Brent	86	0.23	RUB	118.6895	1.4433				

Source: Bloomberg
Updated: 16/02/2023 17:18

All price data is from 16.02.2023 as of 17:30

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