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SAT 11 MARCH 2023 00:10

# Daily Base Metals Report

US nonfarm payrolls came in higher once again, at 311,000, marking the 11th consecutive month of market underestimating the labour market tightness. As we have mentioned in our yesterday's note, a reading above 300,000 for nonfarm payrolls suggests that the labour market is still running hot. Some respite came from wage growth data, which pointed to the slowest increase in a year. Still, the news was not enough to overshadow the flight to safety following worries about financial turmoil in the industry. As a result, we saw markets scale back their expectations for the pace of tightening, with forward swaps now pricing in a 36bps increase in the Fed's March meeting. A similar downgrade was seen in European markets, as forward swaps point to a 45bps increase during the next meeting. The dollar sold off to 104.25, and the 10yr US Treasury yield sold off to 3.75%, marking a loss of 35bps over the course of two days. The 2yr yield also weakened rapidly, falling to 4.69%.

Metals gained some momentum in the latter part of the day following the nonfarm payrolls, but this was not enough to offset the risk-off sentiment, and metals closed lower on the day. Base metals' prices continued on a downward trajectory this week, closing the week on the back foot. At the same time, copper and aluminium are seen hovering around the end-of-February lows. With that in mind, we have seen some downstream players resume purchases with lower prices, and some restocking took place as a result. In particular, aluminium breached the support level of \$2,320/t to close at \$2,313/t, the December lows. Copper tested the lows of \$8,750/t but bounced back to \$8,867/t, which once again reaffirms market resilience above \$8,800/t; the cash to 3-month spread weakened back to -\$25.00/t. Lead and zinc closed lower at \$2,077/t and \$2,937/t, respectively.

Oil futures benefitted from a softer dollar, with WTI and Brent jumping back to \$77/bl and \$83/bl. Precious metals rallied, and gold and silver, which have safe-haven properties, jumped to \$1,587/oz and \$20.50/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2324	2328	2285	2313	2320	22821	602909	-46.25	104.94
Copper	8828	8920	8730	8867	8832	18404	245939	-25.00	402.77
Lead	2082	2103	2059	2077	2083	3802	101354	-1.50	94.46
Nickel	23000	23230	22700	22684	23200	2901	137152	-190.00	1030.35
Tin	23205	23205	22350	22912	23300	396	13852	-180.00	1039.19
Zinc	2974	2974	2906	2937	2976	8171	186884	17.75	133.15
				<b>Total:</b>		<b>56495</b>	<b>1288090</b>		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2249	2297.5	2541.75	2647.25	2281.4	2328	2319.3125	2364.8125
Copper	8755	8771	8820.5	8773.5	8832.3	8853	8865.4375	8888.0625
Lead	2077	2075	2119.5	2134.5	2082.25	2084	2103.625	2105.5625
Nickel	22675	22950	24873	25923	23056	23269	23925	24140
Tin	22500	22600			23148	23351	24040.625	24223.125
Zinc	2941	2923.5	2801	2641	2994.5	2974	3024.625	3005.1875

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	551175	500	3300	-2800	548375	121300	427075	Comex, USc/lb	
Copper	72375	2000	2650	-650	71725	27825	43900	MAR 23	410.05 0.55
Lead	25575	0	300	-300	25275	4525	20750	MAY 23	408.85 0.53
Nickel	43410	804	150	654	44064	3924	40140	Shanghai, CNY/mt	
Tin	2730	35	65	-30	2700	535	2165	23-Mar	69540 0.32
Zinc	38750	0	300	-300	38450	2400	36050	23-Apr	69560 0.06

Global Markets	Currencies			Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15393	-1.53	GBP	1.2068	1.1992	Gold	1859.31	1.5445	1817.5 1831.40
DJI	32302	0.15	JPY	134.9600	0.8817	Silver	20.54	2.3146	2012.00012
S&P500	3927	0.23	EUR	1.0666	0.8033	Gold Comex	1863.3	1.564	
SSE	3230	-1.40	CNY	6.9087	0.8164	Platinum	964.66	1.7059	
Hg Seng	19320	-3.04	AUD	0.6622	0.4856	Palladium	1390.59	-0.3211	
Brent	83	1.45	RUB	118.6895	#N/A N/A				

Source: Bloomberg  
Updated: 10/03/2023 16:45

All price data is from 10.03.2023 as of 17:30

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