

Authors

Daria Efanova
Head of Research

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Daily Base Metals Report

US stocks sold off as Credit Suisse's woes dampened the risk-on sentiment. We saw investors rush back to traditional safe havens for safety: the dollar rallied to 100 DMA level of 104.90, and the yen jumped higher. The Treasury yields plunged as investors scaled back their expectations of a Fed hike next week; the forward swaps are now forecasting a 10bps hike and a drop of 90bps from current levels by the end of the year. In the meantime, all eyes are set on the ECB meeting tomorrow, which is expected to increase interest rates by 28bps, down from 38bps expectations seen on Monday. From the data side, US PPI fell by 0.1% m/m in February, with both goods and services driving the decline. Yesterday's CPI report pointed to a faster slowdown in commodity pricing pressures, with new and used vehicles feeling the brunt of the decline. Continued easing of the supply chain weighs on costs faced by manufacturers, and whilst this might bring a round of buying from consumers, we do not expect this gain in sales to be sustainable.

Base metals suffered from the ripple effect of the risk-off sentiment today; the complex closed lower, testing key support levels. Aluminium fell by more than \$80/t on the day, breaching the support at \$2,280/t while still remaining above the January lows of \$2,250/t. Likewise, copper sold off to \$8,504.50/t. Lead and zinc closed lower at \$2,069/t and \$2,866/t, respectively. Stocks all dropped lower today, apart from copper, as downstream consumption accelerated into a peak season and some withdrawals took place. We expect players to be more willing to purchase at lower levels, and activity should pick up slightly in the coming weeks. The cash to 3-month spreads remained broadly unchanged, and we expect some of the recent activity resumption to provide support for the levels.

Oil futures plummeted, with WTI and Brent now at \$65/bl and \$71/bl, January 2022 lows. On the contrary, precious metals benefitted; gold and silver jumped higher to \$1,934/oz and \$21.85/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2349	2380	2261	2277	2352	27126	610529	-52.75	103.51
Copper	8809	8877	8490	8504.5	8827	41930	245425	-23.75	388.96
Lead	2085	2106	2063	2069	2084	5397	100266	-6.25	94.12
Nickel	22955	23400	22770	23003	23010	2560	132103	-215.00	1045.54
Tin	22765	23185	22025	22464	22850	414	13300	-160.00	1013.34
Zinc	2914	2930	2835	2866	2918	10999	185027	10.00	131.23
					Total:	88426	1286650		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2246	2295.5	2494.85	2597.85	2302	2352.5	2300.818182	2347.454545
Copper	8525	8555	8495	8485	8809	8833.5	8818.590909	8839.136364
Lead	2079	2084	2119	2150.25	2079.55	2085.5	2097.272727	2099.863636
Nickel	22750	22960	24586	25538	22830.8	23040	23639.09091	23875.45455
Tin	22675	22800			22744	22950	23677.27273	23860.90909
Zinc	2864.5	2847	2746.5	2589.5	2925	2909.5	2992.772727	2973.681818

LME Stocks (tonnes)								Other Copper Markets	
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	536450	425	4450	-4025	532425	104925	427500	Comex, USc/lb	
Copper	70175	4025	800	3225	73400	23875	49525	MAR 23	404.55 -0.22
Lead	25275	0	0	0	25275	4525	20750	MAY 23	403.05 -0.21
Nickel	44142	0	186	-186	43956	6792	37164	Shanghai, CNY/mt	
Tin	2520	15	125	-110	2410	265	2145	23-Mar	69000 0.04
Zinc	37900	0	125	-125	37775	2325	35450	23-Apr	68970 -0.25

Global Markets	Currencies			Precious Metals			Previous Day's Fix			
Last	% Change		Last	% Change		Last	% Change	AM	PM	
DAX	14735	-3.27	GBP	1.2044	-0.9377	Gold	1926.17	1.1639	1901.45	1907.55
DJI	31590	-1.76	JPY	132.9400	0.9628	Silver	21.84	0.6729		2164
S&P500	3865	-1.39	EUR	1.0554	-1.6678	Gold Comex	1931.1	1.057		
SSE	3263	0.55	CNY	6.9056	-0.4648	Platinum	963.27	-2.4151		
Hg Seng	19540	1.52	AUD	0.6605	-1.1523	Palladium	1459.29	-3.3615		
Brent	73	-5.47	RUB	118.6895	#N/A N/A					

Source: Bloomberg
Updated: 15/03/2023 17:44

All price data is from 15.03.2023 as of 17:30

Risk warning

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