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FRI 17 MARCH 2023 00:10

Daily Base Metals Report

Credit Suisse received a CHF50bn credit line from the Swiss National Bank today, but that struggled to push the markets significantly higher, posting marginal gains instead. We suspect investors are being mindful of other potential banking weaknesses, paying attention to other sector news to help drive the confidence. While this has weighed on monetary policy tightening expectations, the ECB, the first major bank to respond following the crisis, raised the interest rates by 50bps, citing a robust sector performance. ECB's Lagarde provided little indication of the next move, which is set to take place in May. The German 2yr yield jumped higher but struggled to breach the 2.60% level as markets remained cautious. The hawkishness spilled over to the US market, where forward swaps are now showing hiking expectations edging back to 25bps. The dollar and the 10yr US Treasury yield remained broadly unchanged.

Another day of macro-driven momentum for the base metals complex, with prices settling marginally lower day on the day despite a softer dollar. The support levels are holding firm, and we maintain the view of "drift, not collapse" and expect marginal softness in the coming weeks as markets await positive demand news out of China. Aluminium remained low, testing the support level of \$2,270/t, and settling slightly lower at \$2,267.50/t. Likewise, copper dipped below the \$8,500/t level but struggled below it and resurfaced back to \$8,518/t. Lead remained broadly unchanged, closing at \$2,066.50/t. We expect some lead inventory accumulation to take place until the end of the month, given the gradual slowdown of battery company production; many are becoming pessimistic about the downstream orders from battery consumers.

Oil futures found support at the \$67/bl and \$73/bl levels for WTI and Brent, respectively, following yesterday's selloff. Precious metals gave back some of yesterday's gains but still remained elevated; gold and silver now trade at \$1,918/oz and \$21.56/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2285	2308	2266	2267.5	2282	19276	608821	-51.00	103.13
Copper	8589	8610	8442	8518	8572	21772	250342	-12.50	386.78
Lead	2072	2083	2060	2066.5	2068	4067	103033	-8.50	94.10
Nickel	23050	23315	22800	23236	22880	2607	133526	-215.00	1057.11
Tin	22150	22300	21800	22218	22185	456	13410	-100.00	1001.77
Zinc	2880	2884	2818	2857.5	2877	7804	184095	13.50	129.91
					Total:	55982	1293227		

Official Prices								Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2237.5	2287	2494.85	2597.85	2224.25	2277	2295.541667	2342.416667	
Copper	8535	8537	8495	8485	8480.75	8504.5	8794.958333	8813.958333	
Lead	2055	2064	2117.75	2149	2062.75	2069	2093.75	2096.875	
Nickel	22650	22865	24586	25538	22788	23003	23556.66667	23791.25	
Tin	22225	22250			22278.16	22464	23556.25	23726.66667	
Zinc	2864	2852	2736.25	2579.25	2876	2866	2982.041667	2963.541667	

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	532425	0	1875	-1875	530550	105200	425350	Comex, USc/lb		
Copper	73400	2000	425	1575	74975	23450	51525	MAR 23	404.55 -0.22	
Lead	25275	450	0	450	25725	4525	21200	MAY 23	403.05 -0.21	
Nickel	43956	948	108	840	44796	6696	38100	Shanghai, CNY/mt		
Tin	2410	15	25	-10	2400	240	2160	23-Mar	69000 0.04	
Zinc	37775	0	0	0	37775	2475	35300	23-Apr	68970 -0.25	

Global Markets	Currencies				Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	14967	1.57	GBP	1.2110	0.4396	Gold	1916.09	-0.1298	1906
DJI	32151	0.87	JPY	133.3200	0.0750	Silver	21.53	-1.1426	2209.5
S&P500	3936	1.13	EUR	1.0619	0.3971	Gold Comex	1920.2	-0.575	
SSE	3227	-1.12	CNY	6.8980	0.1203	Platinum	974.32	0.9899	
Hg Seng	19204	-1.72	AUD	0.6651	0.4835	Palladium	1422.38	-3.0118	
Brent	75	1.32	RUB	118.6895	#N/A				

Source: Bloomberg
Updated: 16/03/2023 16:54

All price data is from 16.03.2023 as of 17:30

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