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Daily Base Metals Report

US stocks bounced back today as a sense of calm triggered a moderate risk-on sentiment today. The markets seem to have digested the news and assurances from central banks about financial stability but still struggled to bring the sentiment back to levels seen a week ago. Still, investors now anticipate a 20bps increase from the Fed tomorrow, and we believe that 25bps will materialise; however, we pay close attention to Powell's speech later in the day to help drive the sentiment. The dollar continued to be weaker, while the 10yr US Treasury yield jumped back above 3.50%. Elsewhere, ZEW institute's investor sentiment dropped to 13.0, the first monthly decline in six months, as banking pressures finally weighed on investor confidence.

The mixed sentiment was seen across the base metals today as market fears settled and investors turned back to the fundamentals to help drive the outlook. We continue to see improvements from domestic downstream consumption, and this has driven social inventory lower so far this week. We expect this trend to accelerate into April, providing support for prices in the near term. Aluminium weakened slightly, slowing edging to test the \$2,270/t level before settling at \$2,266.50/t; the cash to 3-month spread remained low at -\$51.00/t. A strong upside in the latter half of the day helped prop up gains for copper, as the metal closed at \$8,757.50/t. Lead and zinc, on the other hand, closed lower at \$2,094.50/t and \$2,864.50/t, respectively.

Oil futures found some respite, with WTI and Brent gaining ground to \$68/bl and \$74/bl. Meanwhile, China's imports of Russian energy skyrocketed to \$88bn in the year ending February, replacing other buyers that have chosen to cut ties with the nation. Demand for safe havens waned, and gold and silver weakened for the second-straight day to \$1,943/oz and \$22.20/oz.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2284	2297	2264	2266.5	2284	14064	618477	-48.75	102.92
Copper	8697	8870	8656	8757.5	8711	18185	243591	6.00	398.42
Lead	2109	2135	2076	2094.5	2116	6054	104741	24.50	95.35
Nickel	22670	22970	22395	22514	22795	2574	134329	-241.50	1017.64
Tin	22950	23200	22620	23039	22850	341	13300	-128.00	1047.58
Zinc	2896	2905	2837	2864.5	2898	7609	184090	23.50	130.00
Total:						48827	1298528		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2235	2286	2492.42	2599.42	2225.17	2274.5	2283.4	2330.533333	
Copper	8824	8812	8673.5	8656.5	8701.25	8697.5	8777.433333	8791.766667	
Lead	2130	2111	2141	2160.75	2134	2118	2095.1	2095.9	
Nickel	22550	22750	24339.5	25316.5	22555.5	22797	23407.66667	23648	
Tin	23145	23175			22612.77	22750	23403.66667	23556	
Zinc	2897	2869	2726.5	2569.5	2912.5	2885.5	2969.3	2949.166667	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	546200	0	4325	-4325	541875	105950	435925	Comex, USc/lb		
Copper	76925	2000	2525	-525	76400	32900	43500	MAR 23	397.55 1.58	
Lead	25725	0	0	0	25725	4525	21200	MAY 23	395.15 1.52	
Nickel	44502	0	450	-450	44052	6096	37956	Shanghai, CNY/mt		
Tin	2370	15	0	15	2385	245	2140	23-Apr	67550 0.49	
Zinc	37375	2675	200	2475	39850	2500	37350	23-May	67390 0.57	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change	Last	% Change	Last	% Change	AM	PM		
DAX	15195	1.75	GBP	1.2193	-0.6923	Gold	1942.99 -1.8117	1981.95	1969.35
DJI	32400	0.48	JPY	132.4800	-0.8756	Silver	22.29 -1.1502		2249.5
S&P500	3980	0.72	EUR	1.0768	0.4384	Gold Comex	1963.7 -1.800		
SSE	3256	0.64	CNY	6.8837	-0.0973	Platinum	973.54 -1.9459		
Hg Seng	19259	1.36	AUD	0.6657	-0.9080	Palladium	1386.35 -2.2189		
Brent	75	1.26	RUB	118.6895	#N/A N/A				

Source: Bloomberg
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All price data is from 21.03.2023 as of 17:30

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