

## Authors

Daria Efanova  
Head of Research

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# Daily Base Metals Report

US stocks opened this week on the front foot, following the relief over the banking sector news over the weekend. Banking sector jitters should calm this week, even though investors remain cautious of other banks' weaknesses, hyper-analysing each statement and move. Still, the over-the-weekend geopolitical uncertainty should keep the risks slightly elevated this week. Recession risks are climbing, and the markets have now completely priced out any hikes from the Fed and brought forward the cuts with a 33bps from now until July. Any signs of weakness on the macro front could exacerbate the downside sentiment this week. With big central bank meetings out of the way, the market will pay attention to macro moves, such as the PCE measure, to help drive sentiment. The dollar edged lower while the 10yr US Treasury yield is testing 3.50% once again.

Base metals traded higher today on the back of improving risk-on sentiment. Nickel overnight trading reopened over the weekend, triggering some losses for prices on the open, but these quickly recovered, and the metal closed at \$23,843/t. This move should bring back liquidity and reduce both realised and implied volatility. With a calmer macro picture, this week will likely be driven by micro again. Confidence out of China remains muted, given the slow recovery from lockdown restrictions. Copper remained broadly unchanged at \$8,964/t. Lead and zinc closed marginally higher at \$2,133/t and \$2,912/t, respectively.

Oil futures edged higher, with WTI and Brent strengthening into \$70/bl and \$76/bl. Both gold and silver slipped today as investors moved away from safe havens back into riskier assets; the metals now trade at \$1,957/oz and \$23.00/oz, respectively.

|           | Open  | High  | Low   | 5pm Close | PDC           | Volume       | Total O.I      | Spreads | Conversion |
|-----------|-------|-------|-------|-----------|---------------|--------------|----------------|---------|------------|
|           |       |       |       |           |               |              |                | C-3M    | USc/lb     |
| Aluminium | 2341  | 2372  | 2323  | 2363.5    | 2344          | 12621        | 620114         | -43.00  | 107.23     |
| Copper    | 8964  | 8988  | 8844  | 8964      | 8945          | 11148        | 249049         | -10.00  | 405.77     |
| Lead      | 2125  | 2137  | 2108  | 2133      | 2121          | 2294         | 103335         | 21.25   | 96.71      |
| Nickel    | 23700 | 24200 | 22690 | 23843     | 23680         | 3105         | 135740         | -200.00 | 1078.20    |
| Tin       | 24900 | 25500 | 24565 | 25421     | 24885         | 425          | 13523          | 146.00  | 1154.63    |
| Zinc      | 2895  | 2920  | 2861  | 2912      | 2894          | 5927         | 186326         | 31.99   | 132.18     |
|           |       |       |       |           | <b>Total:</b> | <b>35520</b> | <b>1308087</b> |         |            |

| Official Prices |       |        |          |          |         |        | Monthly Avg |             |  |
|-----------------|-------|--------|----------|----------|---------|--------|-------------|-------------|--|
|                 | Cash  | 3m     | Dec Yr 1 | Dec Yr 2 | PD Cash | PD 3M  | Cash        | 3M          |  |
| Aluminium       | 2298  | 2340.5 | 2537.25  | 2641.25  | 2296.81 | 2337   | 2279.526316 | 2326.710526 |  |
| Copper          | 8876  | 8894.5 | 8882     | 8838     | 8911.75 | 8921.5 | 8803.263158 | 8815.526316 |  |
| Lead            | 2125  | 2113   | 2178.25  | 2198     | 2149.5  | 2125.5 | 2104.368421 | 2101.289474 |  |
| Nickel          | 23875 | 24090  | 25029.5  | 26029.5  | 23268   | 23468  | 23262.10526 | 23512.36842 |  |
| Tin             | 25625 | 25475  |          |          | 24945   | 24830  | 23589.73684 | 23701.57895 |  |
| Zinc            | 2914  | 2881   | 2792.95  | 2635.95  | 2923.25 | 2891.5 | 2954.5      | 2933.447368 |  |

| LME Stocks (tonnes) |         |      |      |            |         |            | Other Copper Markets |                  |              |  |
|---------------------|---------|------|------|------------|---------|------------|----------------------|------------------|--------------|--|
|                     | Opening | In   | Out  | Net Change | Closing | C-warrants | Open Tonnage         | Last             | % Change     |  |
| Aluminium           | 532725  | 0    | 4850 | -4850      | 527875  | 104175     | 423700               | Comex, USc/lb    |              |  |
| Copper              | 72675   | 1500 | 3575 | -2075      | 70600   | 28725      | 41875                | MAR 23           | 410.15 -1.07 |  |
| Lead                | 25700   | 0    | 25   | -25        | 25675   | 4475       | 21200                | MAY 23           | 407.5 -1.18  |  |
| Nickel              | 44454   | 0    | 150  | -150       | 44304   | 5802       | 38502                | Shanghai, CNY/mt |              |  |
| Tin                 | 2410    | 75   | 5    | 70         | 2480    | 880        | 1600                 | 23-Apr           | 69310 0.13   |  |
| Zinc                | 39650   | 0    | 0    | 0          | 39650   | 2450       | 37200                | 23-May           | 69170 0.07   |  |

| Global Markets |          | Currencies |      | Precious Metals |         |            | Previous Day's Fix |         |         |
|----------------|----------|------------|------|-----------------|---------|------------|--------------------|---------|---------|
| Last           | % Change |            | Last | % Change        | Last    | % Change   | AM                 | PM      |         |
| DAX            | 15128    | 1.14       | GBP  | 1.2279          | 0.3760  | Gold       | 1957.11            | -1.0666 | 1996.15 |
| DJI            | 32400    | 0.50       | JPY  | 131.5000        | -0.5856 | Silver     | 22.99              | -1.0018 | 2317    |
| S&P500         | 3979     | 0.19       | EUR  | 1.0790          | 0.2788  | Gold Comex | 1975.9             | -1.289  |         |
| SSE            | 3251     | -0.44      | CNY  | 6.8818          | -0.2107 | Platinum   | 980.08             | -0.4287 |         |
| Hg Seng        | 19568    | -1.75      | AUD  | 0.6642          | -0.0451 | Palladium  | 1418.47            | -0.2482 |         |
| Brent          | 77       | 2.49       | RUB  | 118.6895        | #N/A    |            |                    |         |         |

Source: Bloomberg  
Updated: 27/03/2023 16:59

All price data is from 27.03.2023 as of 17:30

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