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Daily Base Metals Report

US stocks were range-bound today as markets await the Fed's preferred gauge of inflation, the PCE deflator index, which is forecast to have slowed to 5.1% y/y. Investors are in a wait-and-see mode as they try to project how lingering banking risks, as well as economic factors, will influence the Fed's decision in the next couple of months. We expect inflation and labour market indicators to continue to drive the sentiment in the near term. This is further supported by the Fed Reserve Bank of St. Louis mentioning that appropriate monetary policy can continue to put downward pressure on inflation. Meanwhile, US consumer confidence ticked higher in March but still remained below the 2022 highs, given the moderate, cautious approach to this year's macroeconomic outlook. The dollar weakened back to 102.50, and the 10yr US Treasury yield is trading above 3.50%.

Prices bounced back in recent days, following the rest of the riskier assets higher on the back of the stronger risk-on sentiment. Banking sector woes are seen subsiding, adding to the confidence in the market. The key driver behind base metal moves has been China, and while we still hold our optimistic view of recovery true, the positive momentum is being priced further down the curve. Nickel continued on a path of further gains, jumping above \$24,000/t to close at \$24,074/t. We expect to see more nickel expansion plans into Q2, and China's refined output is set to increase. Aluminium edged higher, testing the \$2,930/t level before closing at \$2,389/t. Copper closed at \$8,978/t.

In line with equities, oil futures remained flat day on day. Gold and silver gained some ground after support at \$1,950/oz and \$22.90/oz held firm, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2361	2393	2349	2389	2365	12802	618201	-43.50	108.46
Copper	9000	9030	8925	8978	8989	10542	248916	-11.00	407.87
Lead	2132	2150	2123	2135	2137	3435	103930	19.20	96.75
Nickel	23875	24310	23665	24074	23800	1849	136240	-179.00	1090.45
Tin	25480	25900	25225	25770	25355	453	13479	147.00	1166.65
Zinc	2911	2945	2892	2936.5	2911	4903	185447	35.20	132.90
					Total:	33984	1306213		

Official Prices	Monthly Avg							
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2315	2361	2559.5	2663.5	2320.25	2363.5	2281.3	2328.425
Copper	8934	8949	8926.5	8886.5	8951.25	8964	8809.8	8822.2
Lead	2156	2141	2178.25	2198	2154.25	2133	2106.95	2103.275
Nickel	23600	23885	25347	26297	23664	23843	23279	23531
Tin	26050	25900			25567	25421	23712.75	23811.5
Zinc	2937	2907	2818	2661	2943.99	2912	2953.625	2932.125

LME Stocks (tonnes)	Other Copper Markets									
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last		% Change
Aluminium	527875	8400	4250	4150	532025	99925	432100	Comex, USc/lb		
Copper	70600	2225	4425	-2200	68400	24300	44100	MAR 23	410.15	-1.07
Lead	25675	0	0	0	25675	4475	21200	MAY 23	407.5	-1.18
Nickel	44304	0	96	-96	44208	6798	37410	Shanghai, CNY/mt		
Tin	2480	0	0	0	2480	880	1600	23-Apr	69310	0.13
Zinc	39650	0	100	-100	39550	2350	37200	23-May	69170	0.07

Global Markets	Currencies			Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15137	0.06	GBP	1.2345	0.4720	Gold	1967.61	0.5591	1960.25
DJI	32503	0.22	JPY	130.8800	0.5272	Silver	23.22	0.6196	2289
S&P500	3970	-0.18	EUR	1.0844	0.4260	Gold Comex	1986.4	0.756	
SSE	3245	-0.19	CNY	6.8762	0.0843	Platinum	969.58	-0.865	
Hg Seng	19785	1.11	AUD	0.6705	0.8119	Palladium	1411.19	-0.8174	
Brent	79	0.76	RUB	118.6895	#N/A				

Source: Bloomberg
Updated: 28/03/2023 16:35

All price data is from 28.03.2023 as of 17:30

Risk warning

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