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Daily Base Metals Report

US stocks rose on the open, driven in large by optimism seen in Chinese shares, as risk-on sentiment prevailed. Markets are awaiting remarks from Fed officials alongside the PCE deflator index release tomorrow to help gauge the outlook. The spread between 2yr and 10yr yield, a recession gauge, narrowed back to -50bps from -100bps seen a couple of weeks ago, suggesting that while the threat of imminent recession has subsided, the economy is not out of the woods just yet. Still, the Fed lowered its GDP projection for 2023 to 0.4% from 0.5%. We have seen investors rein in their appetite even after banking sector woes have calmed, and many are braced for a high-impact event this year, suggesting confidence has been dented. The dollar edged higher after 102.50 support held firm and the 10yr US Treasury yield settled at 3.55%. From the macro front, US home pending sales rose by 0.8% in February to reach the highest level since August; this marks the third consecutive month of growth as the market is seen stabilising after a turbulent year. At the same time, US 30yr mortgage rates dipped to a 6-week low of 6.45%, which should help advance another round of home purchase applications.

Another day of positive gains was seen across the base metals complex, but momentum slowed slightly in the latter half of the day, and most metals closed unchanged today. Aluminium jumped higher to test the resistance of \$2,420/t, but it held firm, and the metal came back to close at \$2,380/t. A protracted recovery in the downstream demand for aluminium led to a rapid destocking of social inventories; the levels now stand at 1.21m mt as of March 16th, down 58,000 mt from early March. Likewise, LME stocks continued to decline and are now at 529,175mt; the cash to 3-month spread tightened back to -\$40/t as a result. Copper followed suit, gaining ground to test the \$9,050/t but edging back to \$9,002.50/t. Lead and zinc closed higher at \$2,138.50/t and \$2,968/t, respectively.

Oil futures were once again little changed on the day. Gold and silver also found comfort at current levels of \$1,966/oz and \$23.30/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2383	2423	2367	2380	2383	17051	619065	-41.00	107.96
Copper	8968	9080	8913	9002.5	8957	13193	250443	5.00	407.87
Lead	2121	2154	2114	2138.5	2121	5652	104375	29.75	96.77
Nickel	24150	24426	23575	23743	24125	2108	137112	-172.00	1075.02
Tin	25780	26050	24815	25814	25730	487	13596	150.00	1170.28
Zinc	2921	2999	2909	2968	2917	8082	185281	35.25	134.15
					Total:	46573	1309872		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2366	2410	2578	2679.75	2345.5	2389	2285.333333	2332.309524	
Copper	9052	9045	8970	8900	8968.25	8978	8821.333333	8832.809524	
Lead	2182	2153	2175.7	2195.45	2156.25	2135	2110.52381	2105.642857	
Nickel	24200	24450	25554	26529	23902	24074	23322.85714	23574.7619	
Tin	26100	26000			25917	25770	23826.42857	23915.71429	
Zinc	3035	2991	2841.25	2684.25	2971.7	2936.5	2957.5	2934.928571	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	532025	0	2850	-2850	529175	97350	431825	Comex, USc/lb		
Copper	68400	25	350	-325	68075	23950	44125	MAR 23	410.15 -1.07	
Lead	25675	0	0	0	25675	4475	21200	MAY 23	407.5 -1.18	
Nickel	44208	420	54	366	44574	7044	37530	Shanghai, CNY/mt		
Tin	2480	0	0	0	2480	880	1600	23-Apr	69310 0.13	
Zinc	39550	0	225	-225	39325	2725	36600	23-May	69170 0.07	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15329	1.23	GBP	1.2315	-0.2188	Gold	1965.43	-0.4109	1949.85
DJI	32596	0.62	JPY	132.5800	-1.2747	Silver	23.30	-0.129	2304.5
S&P500	4011	1.01	EUR	1.0831	-0.1291	Gold Comex	1983.9	-0.327	
SSE	3240	-0.16	CNY	6.8871	-0.1568	Platinum	972.63	0.5011	
Hg Seng	20192	2.06	AUD	0.6683	-0.3875	Palladium	1434.43	0.6377	
Brent	78	-0.50	RUB	118.6895	#N/A				

Source: Bloomberg
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All price data is from 29.03.2023 as of 17:30

Risk warning

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