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Daily Base Metals Report

US stocks continued to edge higher as lower-than-expected inflation reading added to market confidence. S&P 500 closed the first quarter 7.50% higher, despite a tighter monetary policy environment, financial instability, and, in turn, threats of recession. The core PCE reading rose by 0.3% y/y, slightly below the forecasted 0.4%; the overall level softened to 5.0% y/y. While this softness has been welcomed by the markets, the level is still far off the Fed's target rate. Elsewhere, EU CPI print highlighted the peak inflation narrative as prices softened to 6.9% y/y; however, core print ticked higher to record highs of 5.7%, suggesting that subsequent price softness could be patchy as it is supported by sticky core inflation. The dollar edged higher, and the 10yr US Treasury yield remained unchanged above 3.50%.

Another day of lacklustre base metal performance after metals dipped lower in the latter half of the day following the PCE release. Aluminium shot up higher in the latter half of the day, finding momentum after breaching the \$2,400/t level, settling at \$2,413/t. Copper continued to struggle above \$9,000/t, and the metal traded lower at \$8,993/t. Lead and zinc closed at \$2,107/t and \$2,922.50/t, respectively. Chinese economic data pointed to a pickup of activity in the housing sector after home sales rose for the second straight month in March; while this is seen as a positive sign, we expect a recovery in the sector to be marginal, and high growth figures might be due to performance base seen last year. This optimism was further supported by better-than-expected service activity, with non-manufacturing edging higher to 58.2 in March, the highs not seen since May 2011.

Oil futures strengthened slightly, ending the week 7.0% higher. WTI and Brent now trade at \$75/bl and \$79/bl. Gold and silver closed Friday broadly unchanged but marked one of the best monthly performances since July 2022, as investors rushed to the safe havens amid banking woes. Gold and silver were at \$1,979/oz and \$24.10/oz, respectively, at the time of writing.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2389	2420	2369	2413	2392	14297	621530	-37.75	109.45
Copper	9030	9050	8854	8993	9001	15426	253903	10.00	408.21
Lead	2135	2139	2103	2107	2138	4732	104318	16.25	95.78
Nickel	23200	23885	22860	23838	23005	2424	139611	-192.48	1082.74
Tin	25655	26240	25335	25835	25800	420	13677	90.00	1177.99
Zinc	2932	2949	2866	2922.5	2928	9611	185016	24.75	132.40
				Total:		46910	1318055		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2336.5	2375.5	2580	2690	2344.25	2386	2290.108696	2336.608696	
Copper	8935	8934	8957.75	8931.75	9003.25	9001	8835.717391	8846.173913	
Lead	2145	2128	2149.75	2169.5	2161.5	2138.5	2114.782609	2108.413043	
Nickel	23100	23300	24729	25704	23006.52	23199	23307.17391	23553.91304	
Tin	26075	25760			26036	25916	24014.34783	24075.65217	
Zinc	2906.5	2887	2803.75	2646.75	2963.5	2932	2956.26087	2933.804348	

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	525275	0	4375	-4375	520900	94075	426825	Comex, USc/lb		
Copper	69525	1000	5800	-4800	64725	14775	49950	MAY 23	409.15	-0.57
Lead	26375	0	0	0	26375	4475	21900	JUL 23	409.95	0.32
Nickel	44460	0	96	-96	44364	6864	37500	Shanghai, CNY/mt		
Tin	2480	40	175	-135	2345	705	1640	23-Apr	69520	-0.27
Zinc	39125	6150	200	5950	45075	2375	42700	23-May	69440	-0.37

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	15629	0.69	GBP	1.2368	-0.1453	Gold	1979.40	-0.049	1968.1	1965.80
DJI	33109	0.76	JPY	132.7600	-0.0452	Silver	24.14	0.9785		2371
S&P500	4083	0.79	EUR	1.0872	-0.3026	Gold Comex	1996.7	-0.050		
SSE	3273	0.36	CNY	6.8690	0.0233	Platinum	997.41	0.66		
Hg Seng	20400	0.45	AUD	0.6703	-0.1341	Palladium	1475.5	0.9538		
Brent	80	0.58	RUB	118.6895	#N/A N/A					

Source: Bloomberg
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All price data is from 31.03.2023 as of 17:30

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