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Daily Base Metals Report

US stocks opened on the front foot following the surprise cut by OPEC+ of 1m bl/d, taking the spotlight away from other assets. The market response, however, did not persist, and softer economic data brought the momentum back to Friday's close. The ISM's gauge of manufacturing activity eased further down to 46.3 in March, with measures of new orders and employment retreating. We expect that the PMIs across key nations should point to a further divergence between manufacturing and service sector performance, with the latter remaining resilient. Still, markets continue to push back against central banks' warnings over persistent inflation, focussing on a potential pivot and subsequent easing following the latest banking turmoil. The dollar softened to test the 102.20 once again, and the 10yr US Treasury yield weakened to 3.41%.

The oil move acted more bearish than bullish on base metals today, and even energy-intensive materials like aluminium and zinc struggled to gain momentum. Softer-than-expected China's manufacturing performance helped bring prices back to key support levels. Right now, markets are calm, edging into lower volatility, as investors await the next shock. Aluminium found resistance at \$2,430/t once again before calming slightly to \$2,397.50/t. From a domestic production standpoint, we continue to see recovery in smelting production in China, but previously-curtailed Yunnan capacity is yet to be brought back online; still, social inventory continued to decline as consumption out of warehouses accelerated. Copper fluctuated around \$8,950/t, closed slightly below this level at \$8,917/t. Lead and zinc closed slightly lower at \$2,115.50/t and \$2,898.50/t, respectively.

Oil futures' unprecedented move on the upside cooled slightly during the day, but both WTI and Brent futures remained elevated at \$80/bl and \$84/bl. We do not believe that this move will solidify the path of higher inflation for the Fed, and China remains key driver that could spur prices higher sustainably. Gold and silver gained in the latter half of the day, as safe-haven appetite improved slightly; both metals now trade at \$1,989/oz and \$24.00/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2415	2434	2388	2397.5	2417	20168	615791	-36.25	108.52
Copper	8970	9017	8907	8917	8994	10482	253457	2.00	404.04
Lead	2110	2130	2097	2115.5	2107	4244	101773	3.00	96.07
Nickel	23755	24000	23335	23372	23625	2246	139490	-165.00	1060.28
Tin	25605	26080	25500	26040	25920	323	13691	61.00	1173.46
Zinc	2910	2922	2882	2898.5	2908	6221	181575	25.17	130.98
					Total:	43684	1305777		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2380.5	2430	2605	2711	2376.75	2413	2380.5	2430	
Copper	8966	8970	8952	8922	9003.5	8993	8966	8970	
Lead	2137	2126	2152.25	2172	2123.25	2107	2137	2126	
Nickel	23560	23890	25335	26325	23651	23838	23560	23890	
Tin	25900	25950			25925	25835	25900	25950	
Zinc	2937	2908	2779.17	2622.17	2947.25	2922.5	2937	2908	

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	520900	6500	3500	3000	523900	104100	419800	Comex, USc/lb		
Copper	64725	2900	3775	-875	63850	18500	45350	MAY 23	409.45	0.07
Lead	26375	0	0	0	26375	4475	21900	JUL 23	410.25	0.07
Nickel	44364	0	1296	-1296	43068	5568	37500	Shanghai, CNY/mt		
Tin	2345	0	355	-355	1990	350	1640	23-Apr	69470	-0.07
Zinc	45075	0	25	-25	45050	2825	42225	23-May	69370	-0.10

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15581	-0.31	GBP	1.2397	0.4863	Gold	1987.05	0.9024	1978.8
DJI	33504	0.69	JPY	132.4100	0.3399	Silver	23.99	-0.4469	2388.5
S&P500	4106	-0.07	EUR	1.0888	0.4521	Gold Comex	2004.4	0.916	
SSE	3296	0.72	CNY	6.8779	-0.0625	Platinum	990.08	-0.5155	
Hg Seng	20409	0.04	AUD	0.6784	1.4809	Palladium	1460	-0.2576	
Brent	85	5.93	RUB	118.6895	#N/A				

Source: Bloomberg
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All price data is from 03.04.2023 as of 17:30

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