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Daily Base Metals Report

US stocks continued to gain ground, with S&P 500 seeing the 5th consecutive day of gains as market confidence continued to improve following banking sector woes. At the same time, markets are beginning to price in the end of the Fed's tightening campaign, and while we see no pivot taking place in the near term, the anticipation of a pause in rates will add to market confidence. Even oil moves have struggled to bring in a tighter monetary policy outlook. The last time OPEC+ hiked by as much as 1m bl/d, it was a pre-emptive move to adjust for a lower demand figure. Given tighter market balance, we could see oil futures average at \$75-80/bl, but this should not significantly add to the inflation readings but instead help maintain prices sticky. We believe that the Fed will look through the oil price shock of this scale and stick to its current policy rhetoric. Meanwhile, US vacancies dropped to May 2021 lows of 9.9m in February, highlighting that labour demand might be easing slightly; even if consistent, we do not expect this to translate into higher unemployment in the near term, given the lag effects.

Base metals weakened today, and the latter half of the day saw pronounced declines down to long-term moving average levels. Weaker ISM manufacturing performance from the US weighed on sentiment and, in turn, prices. The decline was less pronounced in energy-intensive metals such as aluminium and zinc, as the recent oil gains provided some support. Aluminium closed at \$2,370.50/t; zinc closed marginally lower at \$2,397.50/t; cash to 3-month settled lower at -\$46.00/t. Losses in copper were more protracted, as the metal fell below the support of \$8,900/t to \$8,751/t. Lead closed at \$2,117/t.

Oil futures cooled slightly today, with WTI and Brent now at \$80/bl and \$84/bl. Gold and silver jumped higher, now trading at \$2,022/oz and \$24.88/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2390	2398	2353	2370.5	2389	18693	614196	-46.00	107.32
Copper	8918	8963	8705	8751	8907	17492	254374	-8.00	395.31
Lead	2115	2127	2106	2117	2113	3566	102095	-0.25	95.73
Nickel	23145	23625	22970	23124	22960	1801	140104	-214.00	1048.90
Tin	25775	25985	24725	24995	25860	360	13654	48.00	1130.82
Zinc	2886	2892	2822	2831.5	2886	6849	182209	14.50	128.75
					Total:	48761	1306632		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2341.5	2394	2589.49	2693.49	2353	2397.5	2361	2412	
Copper	8930	8931	8720	8682.15	8917	8917	8948	8950.5	
Lead	2122	2119	2158.25	2178	2118.5	2115.5	2129.5	2122.5	
Nickel	22910	23300	24561	25551	23178.5	23372	23235	23595	
Tin	25825	25600			26100	26040	25862.5	25775	
Zinc	2893	2873.5	2710.74	2553.74	2923.67	2898.5	2915	2890.75	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	523900	500	4300	-3800	520100	101350	418750	Comex, USc/lb		
Copper	63850	2500	250	2250	66100	25750	40350	MAY 23	404.55 -1.2	
Lead	26375	0	0	0	26375	4475	21900	JUL 23	405.45 -1.17	
Nickel	43068	0	30	-30	43038	5910	37128	Shanghai, CNY/mt		
Tin	1990	0	135	-135	1855	290	1565	23-Apr	69180 -0.42	
Zinc	45050	0	0	0	45050	2825	42225	23-May	69170 -0.29	

Global Markets		Currencies		Precious Metals		Previous Day's Fix	
Last	% Change	Last	% Change	Last	% Change	AM	PM
DAX	15603 0.14	GBP	1.2496 0.6605	Gold	2024.28 1.9968	1963.1	1983.30
DJI	33306 -0.88	JPY	131.5600 0.6841	Silver	24.91 3.8587		2392.5
S&P500	4098 -0.64	EUR	1.0948 0.4496	Gold Comex	2042.3 2.095		
SSE	3313 0.49	CNY	6.8793 -0.0233	Platinum	1023.33 3.1416		
Hg Seng	20275 -0.66	AUD	0.6738 -0.7073	Palladium	1449.74 -1.0349		
Brent	84 -0.79	RUB	118.6895 #N/A N/A				

Source: Bloomberg
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All price data is from 04.04.2023 as of 17:30

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