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Daily Base Metals Report

US stocks traded higher today as data releases pointed to a softer macroeconomic environment, easing some of the pressures for the Fed to hike. US PPI came in much lower than expected, at -0.5% m/m and 2.7% y/y, respectively, given the decline in gasoline prices, a similar trend seen in the CPI release yesterday. Meanwhile, US jobless claims rose to 239,000 in the week ending April 8th, with growth in unemployment benefits from California driving most of the incline. While this drove the dollar lower, below 101, the markets have not changed their expectations for the Fed's path, with 17bps still on the table for May. The dollar weakness helped bring the euro to the highest level in more than a year at 1.1060.

Dollar softness added much-needed momentum to base metals today, with the complex settling higher across the board. Aluminium jumped higher, back above \$2,340/t, to test the longer-term moving averages and settle at \$2,367/t. Copper strengthened back above \$9,000/t to close at \$9,058.50/t. Tightness in cash to 3-month spreads that we have seen accelerate in recent weeks thanks to the build-up of Chinese activity intensified today, with only aluminium and nickel now in contango. Lead and zinc settled higher at \$2,146.50/t and \$2,837/t, respectively. Lead-acid battery producers have entered a traditional off-season in April, and we expect to see fewer purchases take place over the course of the month. At the same time, lower operating rates across the producers should weigh on end-user demand, and we could see domestic lead prices edge lower in the coming weeks as a result.

Oil futures softened following recent days, as WTI and Brent found resistance at \$83.50/bl and \$87.50/bl, respectively. Precious metals once again benefitted from softer economic data; gold and silver tested new highs of \$2,050/oz and \$26.00/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2331	2385	2321	2367	2324	17667	613995	-35.00	107.59
Copper	8950	9086	8905	9058.5	8960	18978	251822	7.50	410.51
Lead	2123	2150	2122	2146.5	2126	5763	102355	32.00	97.32
Nickel	23560	23750	23325	23698	23670	1279	136088	-170.00	1076.16
Tin	23950	24801	23950	24442	24130	376	13795	20.00	1104.06
Zinc	2791	2853	2767	2837	2787	6220	176769	17.50	129.03
					Total:	50283	1294824		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2330	2365	2514.25	2616.75	2285.95	2325	2312.142857	2356.214286
Copper	9001.5	8995	8935.15	8803.8	8916.8	8916.5	8879.142857	8881.071429
Lead	2162	2132	2185.5	2205.25	2154.9	2129	2133.071429	2117.5
Nickel	23210	23500	25006.99	25992.99	23384	23579	22947.14286	23256.42857
Tin	24795	24825			23979	24022	24876.42857	24810.71429
Zinc	2830	2818	2718.25	2563.25	2799.25	2785	2836.214286	2818.571429

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	527450	6550	3225	3325	530775	80025	450750	Comex, USc/lb		
Copper	56800	1000	3375	-2375	54425	15575	38850	MAY 23	408.1 1.53	
Lead	26100	600	100	500	26600	4075	22525	JUL 23	408.2 1.39	
Nickel	41364	6	270	-264	41100	3732	37368	Shanghai, CNY/mt		
Tin	1780	0	0	0	1780	310	1470	23-Apr	69280 0.32	
Zinc	44675	0	475	-475	44200	2250	41950	23-May	69150 0.26	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15729	0.16	GBP	1.2530	0.3604	Gold	2039.10	1.1995	2008.9 2008.20
DJI	33822	0.52	JPY	132.3800	0.5666	Silver	25.79	1.138	2514.5
S&P500	4121	0.70	EUR	1.1053	0.5549	Gold Comex	2053.4	1.407	
SSE	3318	-0.27	CNY	6.8688	0.0611	Platinum	1049.57	2.8577	
Hg Seng	20344	0.17	AUD	0.6779	1.3152	Palladium	1472.31	-0.0658	
Brent	87	-0.89	CAD	1.3345	0.7269				

Source: Bloomberg
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All price data is from 13.04.2023 as of 17:30

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