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Daily Base Metals Report

US stocks fluctuated as markets digested the latest round of macroeconomic data ahead of the Fed meeting, where policymakers increased the rates by 25bps. Jerome Powell also hinted at a possible pause, aligning with forecast that suggested that this might be the last increase of this tightening cycle. On the economic front, ADP data surprised on the upside, highlighting the biggest private payrolls gains since July, growing 296,000 in March; this data comes as a slight contradiction to labour data earlier this week, which showed jobs opening falling 2-year lows. This discrepancy could be due to the fact that fewer people are switching jobs whilst employers continue to hire aggressively. The labour market still remains historically tight. Meanwhile, the US service sector expanded slightly to 51.9 in April, restrained only by the weakest business activity in nearly three years. The dollar and the 10yr US Treasury yield both edged lower.

Base metals remained broadly unchanged on the day ahead of the Fed meeting. Aluminium continued to weaken, with protracted selling pressures triggered below the support of \$2,340/t; the metal closed at \$2,321/t. Copper was also seen lower, but the robust support at \$8,450/t held firm, and the metal hovered above, closing at \$8,468.50/t. Lead weakened, erasing the last few days of gains, closing at \$2,131/t. In China, maintenance for both primary and secondary lead is taking place, capping the overall production until the end of May. However, this was timed with the end off-season from the battery producers, which will likely help diminish the inventories and push lead prices higher domestically. Prices have remained range-bound in recent months, but the spread has flipped into a backwardation once again, highlighting the growing tightness assumption.

Oil futures plunged lower today, with WTI and Brent falling below \$70/bl and \$73/bl for the first time since March, as OPEC+ supply cuts struggled to dent overall supply. Gold and silver edged slightly higher by the end of the day, trading at the elevated levels of \$2,024/oz and \$25.40/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2355	2360	2317	2321	2356	14255	625643	-8.01	105.28
Copper	8518	8538	8455	8468.5	8531	13593	253127	-25.75	384.13
Lead	2161	2164	2120	2131	2162	5241	105584	-3.25	96.66
Nickel	24930	25420	24560	24743	25000	2659	135196	-54.00	1122.34
Tin	26175	26851	26175	26777	26600	229	14140	285.00	1214.60
Zinc	2602	2635	2590	2630	2592	6745	186099	-6.75	119.30
					Total:	42722	1319789		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	
							Cash	3M
Aluminium	2330	2343	2497.24	2594.24	2367.51	2366.5	2341.5	2349
Copper	8486	8517	8484.25	8454.25	8490	8514	8529.5	8555
Lead	2145	2146.5	2177.25	2197	2176.5	2172.5	2158	2152.25
Nickel	25100	25100	25960	26874	24949.5	24965	24667.5	24697.5
Tin	27125	26875			26771	26491	26962.5	26637.5
Zinc	2609	2613.5	2625.25	2570.25	2611	2609.5	2614.5	2616.75

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	G-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	566200	1950	2950	-1000	565200	71800	493400	Comex, USc/lb		
Copper	66350	1000	50	950	67300	1425	65875	MAY 23	391.7	1.21
Lead	32300	0	0	0	32300	2825	29475	JUL 23	393.4	1.12
Nickel	40014	0	48	-48	39966	3666	36300	Shanghai, CNY/mt		
Tin	1545	15	25	-10	1535	175	1360	23-May	0	0.00
Zinc	52925	0	400	-400	52525	7025	45500	23-Jun	0	0.00

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15815	0.56	GBP	1.2558	Gold	2038.92	1980.9	1995.40	
DJI	33414	-0.80	JPY	134.6800	Silver	25.58	0.0188	2477	
S&P500	4091	-0.70	EUR	1.1060	Gold Comex	2037	0.677		
SSE	3323	1.14	CNY	6.9126	Platinum	1058.29	0.0331		
Hg Seng	19699	-1.18	AUD	0.6675	Palladium	1429.81	0		
Brent	72	-4.45	CAD	1.3613					

Source: Bloomberg
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All price data is from 03.05.2023 as of 17:30

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