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Daily Base Metals Report

Another selloff in regional banks led the decline in US stocks today, with the moves from central banks lacking momentum to sway market appetite. US labour data showed that applications for US unemployment benefits rose by the most in six weeks, to 242,000 in the week ending April 29th, while continuing claims fell. Other data pointed to labour costs increasing by 6.3%, a jump from 3.3% in the prior period. A day after the Fed meeting signalled a potential pause in tightening, the ECB delivered a rate hike of 25bps, making it the smallest increase since the start of the tightening cycle. This puts the European policymakers on the path to increase rates further in the coming months, which could help prop up the euro and pressure the dollar. However, given the scale of today's move, the euro fell slightly, while the dollar remained supported above 101.50.

Metals jumped higher on the open following the Fed data release, but the risk-off sentiment prevailed during the day, sending the complex lower. Copper was the only metal that remained broadly unchanged, with support at \$8,500/t remaining firm. The greater deficit forecast out of Chile is supporting fundamentals for the metal, with Cochilco lifting the price forecast to \$3.90/lb, vs \$3.85/lb from three months ago. We continue to see a trend in base metals trading sideways, and today's downside moves were still supported by longer-term averages, suggesting markets remain cautious about the near-term outlook out of the current ranges. Aluminium declined, but support at \$2,290/t held firm; the metal closed at \$2,287/t. Likewise, zinc remained supported above \$2,600/t, while lead tested the \$2,100/t level. Tin saw protracted selling pressures during the day, erasing last week's gains to close at \$25,600/t.

Oil futures remained unchanged following consecutive days of declines. Gold and silver benefitted the most today, strengthening back to \$2,050/oz and \$25.90/oz, respectively.

| | Open | High | Low | 5pm Close | PDC | Volume | Total O.I | Spreads | Conversion |
|---------------|-------|-------|-------|-----------|-------|--------------|----------------|---------|------------|
| | | | | | | | | C-3M | USc/lb |
| Aluminium | 2320 | 2335 | 2284 | 2287 | 2323 | 17845 | 627382 | -8.75 | 103.74 |
| Copper | 8467 | 8623 | 8467 | 8493.5 | 8489 | 19002 | 256123 | -19.10 | 385.26 |
| Lead | 2120 | 2140 | 2099 | 2101.5 | 2120 | 4853 | 107659 | -13.50 | 95.32 |
| Nickel | 24685 | 25220 | 23950 | 23997 | 24600 | 3221 | 134534 | -35.00 | 1088.50 |
| Tin | 26425 | 26785 | 25385 | 25600 | 26700 | 578 | 14424 | 285.00 | 1161.21 |
| Zinc | 2617 | 2659 | 2598 | 2622.5 | 2617 | 7171 | 186580 | -7.75 | 118.96 |
| Total: | | | | | | 52670 | 1326702 | | |

Official Prices

| | Cash | 3m | Dec Yr 1 | Dec Yr 2 | PD Cash | PD 3M | Monthly Avg | Cash | 3M |
|-----------|-------|-------|----------|----------|---------|--------|-------------|-------------|----|
| Aluminium | 2297 | 2308 | 2466.55 | 2566.55 | 2312.99 | 2321 | 2326.666667 | 2335.333333 | |
| Copper | 8539 | 8557 | 8508.22 | 8508.22 | 8442.75 | 8468.5 | 8532.666667 | 8555.666667 | |
| Lead | 2126 | 2132 | 2140.75 | 2160.5 | 2127.75 | 2131 | 2147.333333 | 2145.5 | |
| Nickel | 25100 | 25150 | 25172 | 26087 | 24689 | 24743 | 24811.66667 | 24848.33333 | |
| Tin | 27000 | 26675 | | | 27062 | 26777 | 26975 | 26650 | |
| Zinc | 2611 | 2615 | 2618 | 2563 | 2623.25 | 2630 | 2613.333333 | 2616.166667 | |

LME Stocks (tonnes)

| | Opening | In | Out | Net Change | Closing | C-warrants | Open Tonnage | Other Copper Markets | Last | % Change |
|-----------|---------|-----|------|------------|---------|------------|--------------|----------------------|--------|----------|
| Aluminium | 565200 | 50 | 1950 | -1900 | 563300 | 70350 | 492950 | Comex, USc/lb | | |
| Copper | 67300 | 675 | 200 | 475 | 67775 | 1225 | 66550 | MAY 23 | 383.15 | -0.43 |
| Lead | 32300 | 300 | 0 | 300 | 32600 | 2825 | 29775 | JUL 23 | 384.5 | -0.45 |
| Nickel | 39966 | 0 | 336 | -336 | 39630 | 3354 | 36276 | Shanghai, CNY/mt | | |
| Tin | 1535 | 25 | 0 | 25 | 1560 | 180 | 1380 | 23-May | 0 | 0.00 |
| Zinc | 52525 | 0 | 400 | -400 | 52125 | 6675 | 45450 | 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 | 15734 | -0.51 | GBP | 1.2593 | 0.2308 | Gold | 2046.63 | 0.3757 | 2016.9 | 2014.30 |
| DJI | 33199 | -0.64 | JPY | 134.0000 | 0.5299 | Silver | 25.96 | 1.5002 | | 2525 |
| S&P500 | 4068 | -0.54 | EUR | 1.1027 | -0.3164 | Gold Comex | 2054.8 | 0.874 | | |
| SSE | 3350 | 0.82 | CNY | 6.9067 | 0.0854 | Platinum | 1042.94 | -1.4178 | | |
| Hg Seng | 19949 | 1.27 | AUD | 0.6702 | 0.4647 | Palladium | 1456.08 | 1.8373 | | |
| Brent | 74 | 1.89 | CAD | 1.3526 | 0.6580 | | | | | |

Source: Bloomberg
Updated: 04/05/2023 18:23

All price data is from 04.05.2023 as of 17:30

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