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Daily Base Metals Report

US stocks slumped today as the debt ceiling discussion came to the forefront of market sentiment. Bond markets are quiet after the Fed, and the ECB hiked by 25bps last week. The ECB is expected to continue with their hiking cycle, as policymakers reiterated that battling inflation remains paramount, and they remain behind the curve. Whilst headline inflation is declining, the core remains sticky, and we could see two more 25bps hikes over the next two meetings, especially if exogenous events happen. Tomorrow's CPI print from the US should influence markets less than in previous releases, given little outlook change for the Fed's policy path. Instead, any data that suggests that inflation is not subsiding as quickly as expected would price out any price cuts instead of further tightening from the Fed. The dollar strengthened, and the 10yr US Treasury yield remained close to 3.50%. We expect the BOE to deliver 25bps on Thursday.

Data out of China pointed to continued trade weakness out of the region, as imports slumped and export growth slowed in April, with year-on-year growth at 8.5% and -7.9%, respectively. That left a trade surplus of \$90 billion for the month. Still, autos led the jump in shipments, doubling y/y in the first four months. Steel exports rose by 33%. The support at \$100/mt held firm for iron ore futures. Nickel futures weakened sharply, falling below the support of \$23,610/t to close at \$23,560/t. Other metals saw moderate declines as they drifted near the robust support levels. Aluminium and copper remained unchanged at \$2,319.50/t and \$8,599.50/t.

Oil futures declined more sharply than base metals on the back of China trade data, with WTI and Brent trading at \$71/bl and \$75/bl. Gold and silver futures remained unchanged at \$2,025/oz and \$25.50/oz, respectively.

							Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M USc/lb
Aluminium	2327	2339	2293	2319.5		17572	622773	-4.50 105.21
Copper	8638	8651	8568	8599.5		12630	249899	-29.25 390.07
Lead	2116	2139	2106	2137.5		4063	108757	-4.86 96.96
Nickel	24730	24730	23480	23560		2871	133968	-97.50 1068.67
Tin	26325	26495	25750	25970		313	14186	315.00 1177.99
Zinc	2687	2695	2657	2670.5		6077	186149	-9.70 121.13
Total:						43526	1315732	

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash 3M
Aluminium	2321	2327	2494.66	2593.91			2315.7 2325
Copper	8583	8607	8629.5	8609.5			8533.8 8556.6
Lead	2118	2121	2179.25	2201.25			2132.8 2135.1
Nickel	23930	24050	24694	25619			24433 24489
Tin	26325	26050					26710 26395
Zinc	2658	2675	2672.75	2617.75			2625.6 2631.9

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets Last % Change
Aluminium	561925	0	475	-475	561450	72325	489125	Comex, USc/lb
Copper	70425	1250	0	1250	71675	1125	70550	MAY 23 391.8 1.2
Lead	32600	0	0	0	32600	2825	29775	JUL 23 392.95 1.20
Nickel	40110	0	198	-198	39912	3156	36756	Shanghai, CNY/mt
Tin	1560	75	25	50	1610	205	1405	23-May 67420 0.36
Zinc	52000	0	775	-775	51225	6800	44425	23-Jun 67400 0.55

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change		Last	% Change	AM	PM
DAX	15955	0.02	GBP	1.2620	0.0159	Gold	2031.63	0.518	2038.9
DJI	33548	-0.21	JPY	135.1600	-0.0444	Silver	25.59	0.1652	2584
S&P500	4120	-0.45	EUR	1.0958	-0.4180	Gold Comex	2038.9	0.280	
SSE	3358	-1.10	CNY	6.9204	-0.0896	Platinum	1105.81	2.8125	
Hg Seng	19868	-2.12	AUD	0.6755	-0.3981	Palladium	1588.96	2.0881	
Brent	76	-1.29	CAD	1.3392	-0.1344				

Source: Bloomberg
Updated: 09/05/2023 17:30

All price data is from 09.05.2023 as of 17:30

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