

## Authors

Daria Efanova  
Head of Research

---

FRI 12 MAY 2023 00:10

# Daily Base Metals Report

US stocks opened lower while Treasuries climbed, a complete reversal in sentiment in comparison to yesterday, as softer macroeconomic data brought forward chances of recession. US initial jobless claims data jumped to the highest level since October 2021; however, continuing claims remained relatively subdued in comparison to previous weeks. PPI prices rose by 0.2% m/m in April; while above the previous month's decline of 0.5%, still remained soft. The dollar jumped above 102, and the 10yr US Treasury yield weakened to 3.38%. Meanwhile, the BOE increased interest rates by 25bps today and signalled that more may be needed. That pushed the pound lower, back down to 1.2503.

Protracted losses were seen across the base metals complex today, despite a stronger dollar, after technical momentum pushed metals below the key support levels. A softer macroeconomic picture helped push prices slightly lower on the day, but overall, given a lack of fundamental drivers behind price losses, we expect to see some price recovery take place as futures find new support levels. With the cash to 3-month spreads remaining in a marginal contango, this reaffirms our rhetoric of growing market tightness. In particular, copper broke below the \$8,500/t level on the open, closing at November lows of \$8,163.50/t; the next robust support levels stand at \$8,122/t and \$8,000/t, respectively. Likewise, aluminium breached the \$2,250/t level down to close at \$2,211/t. Lead and zinc declined to close at \$2,107.50/t and \$2,548/t, respectively.

Oil futures declined in the latter half of the day; WTI and Brent are now trading at \$71/bl and \$75/bl. Gold and silver weakened to \$2,016/oz and \$24.20/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2276	2282	2202	2211	2270	34506	633519	-14.30	100.40
Copper	8500	8515	8152	8163.5	8484	34538	254159	-30.30	371.77
Lead	2134	2137	2106	2107.5	2127	5296	113094	-7.65	95.62
Nickel	22580	22600	21710	21780	22460	4224	136834	-77.00	987.93
Tin	25915	26030	24960	25308	25900	572	14651	308.00	1145.33
Zinc	2624	2633	2537	2548	2617	10318	185398	-15.74	115.58
					<b>Total:</b>	<b>89454</b>	<b>1337655</b>		

#### Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2229	2237	2390	2498	2259.75	2268	2297.642857	2306.142857	
Copper	8267	8295	8230	8246	8436.25	8475	8486.428571	8511.571429	
Lead	2120	2126	2148.5	2173.5	2129.7	2136.5	2129.5	2134.071429	
Nickel	22250	22300	23018	24030	22449	22531	23921.42857	23970.71429	
Tin	26075	25850			26164	25846	26519.28571	26253.57143	
Zinc	2575	2590	2558	2533	2609.4	2623.5	2616.428571	2625.428571	

#### LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	570150	25	200	-175	569975	197375	372600	Comex, USc/lb		
Copper	75375	575	0	575	75950	225	75725	MAY 23	382.8	-1.57
Lead	32600	300	0	300	32900	2825	30075	JUL 23	384.1	-1.55
Nickel	39444	0	192	-192	39252	2136	37116	Shanghai, CNY/mt		
Tin	1610	50	25	25	1635	150	1485	23-May	66550	-1.16
Zinc	50400	0	1050	-1050	49350	5300	44050	23-Jun	66340	-1.34

#### Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	15835	-0.39	GBP	1.2517	-0.8554	Gold	2017.07	-0.6414	2029.6	2037.15
DJI	33280	-0.75	JPY	134.3700	-0.0223	Silver	24.22	-4.6736		2552
S&P500	4122	-0.38	EUR	1.0928	-0.4917	Gold Comex	2022.5	-0.717		
SSE	3310	-0.29	CNY	6.9490	-0.2677	Platinum	1092.55	-2.3166		
Hg Seng	19744	-0.09	AUD	0.6698	-1.1949	Palladium	1555.78	-3.5899		
Brent	76	-0.97	CAD	1.3485	-0.8380					

Source: [Bloomberg](#)  
Updated: [11/05/2023 17:30](#)

All price data is from 11.05.2023 as of 17:30

#### Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers ([www.sucdenfinancial.com/en/risk-warning-and-disclaimers](http://www.sucdenfinancial.com/en/risk-warning-and-disclaimers)).