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Daily Base Metals Report

US stocks slipped after the inflation expectations came in slightly higher than expected. University of Michigan's confidence indicator fell sharply in April, down to 57.7, the November low. Meanwhile, near-term inflationary expectations cooled by less than expected, to 4.5% for 1yr ahead; the 5-10yr forecast increased to 3.2%. This week, market sentiment waned after cooling jobs markets, debt-ceiling negotiations, and renewed worries about the health of regional banks led the decline in riskier assets this week. We still expect the US economy to decelerate this year, but believe that recessionary risks are being priced in too early, and momentum should improve before deteriorating once again. The dollar continued to gain ground above 102 while 10yr US Treasury yield remained unchanged.

As per our yesterday's comment, base metals found support at yesterday's lows but struggled to gain enough momentum on the upside and closed mostly unchanged on the day. Aluminium bounced off from \$2,210/t before edging slightly higher to close \$2,231.50/t. Likewise, copper found support at \$8,150/t before gaining marginal ground to close at \$8,253/t. Lead and zinc closed higher at \$2,076/t and \$2,549/t. Nickel was the only metal that saw protracted gains, back above \$22,000/t on the back of improving iron ore futures, which jumped back above \$100/mt.

Oil futures remained broadly unchanged at \$71/bl and \$75/bl. South African rand fell as much as 1.6% to a record low. That pushed platinum prices lower, down to \$1,068/oz. Gold and silver continued to decline, falling to \$2,010/oz and \$23.88/oz, respectively.

| | Open | High | Low | 5pm Close | PDC | Volume | Total O.I | Spreads | Conversion |
|---------------|-------|-------|-------|-----------|-------|--------------|----------------|---------|------------|
| | | | | | | | | C-3M | USc/lb |
| Aluminium | 2214 | 2247 | 2204 | 2231.5 | 2213 | 22283 | 630645 | -10.00 | 101.22 |
| Copper | 8174 | 8291 | 8137 | 8253 | 8189 | 19893 | 258496 | -30.25 | 374.35 |
| Lead | 2110 | 2116 | 2070 | 2076 | 2105 | 8241 | 114821 | -8.25 | 94.17 |
| Nickel | 21910 | 22465 | 21780 | 22217 | 21870 | 3041 | 139122 | -107.00 | 1007.76 |
| Tin | 25275 | 25275 | 24560 | 24836 | 25370 | 475 | 14895 | 268.00 | 1126.55 |
| Zinc | 2549 | 2573 | 2518 | 2549 | 2544 | 9118 | 183549 | -16.02 | 115.62 |
| Total: | | | | | | 63051 | 1341528 | | |

| Official Prices | | | | | | | Monthly Avg | |
|-----------------|--------|-------|----------|----------|---------|--------|-------------|-----------|
| | Cash | 3m | Dec Yr 1 | Dec Yr 2 | PD Cash | PD 3M | Cash | 3M |
| Aluminium | 2230.5 | 2237 | 2406.75 | 2511.75 | 2196.7 | 2211 | 2289.25 | 2297.5 |
| Copper | 8240 | 8275 | 8309.01 | 8325.01 | 8133.2 | 8163.5 | 8455.625 | 8482 |
| Lead | 2094 | 2095 | 2114 | 2139 | 2100.1 | 2107.5 | 2125.0625 | 2129.1875 |
| Nickel | 22285 | 22300 | 23398 | 24368 | 21703 | 21780 | 23716.875 | 23761.875 |
| Tin | 25025 | 24700 | | | 25616 | 25308 | 26332.5 | 26059.375 |
| Zinc | 2516 | 2538 | 2558 | 2533 | 2532.26 | 2548 | 2603.875 | 2614.5 |

| LME Stocks (tonnes) | | | | | | | Other Copper Markets | | | |
|---------------------|---------|-----|-----|------------|---------|------------|----------------------|------------------|--------------|--|
| | Opening | In | Out | Net Change | Closing | C-warrants | Open Tonnage | Last | % Change | |
| Aluminium | 569975 | 525 | 200 | 325 | 570300 | 197175 | 373125 | Comex, USc/lb | | |
| Copper | 75950 | 775 | 100 | 675 | 76625 | 225 | 76400 | MAY 23 | 369.75 -3.41 | |
| Lead | 32900 | 0 | 0 | 0 | 32900 | 2825 | 30075 | JUL 23 | 371 -3.41 | |
| Nickel | 39252 | 90 | 48 | 42 | 39294 | 2400 | 36894 | Shanghai, CNY/mt | | |
| Tin | 1635 | 25 | 50 | -25 | 1610 | 110 | 1500 | 23-May | 64570 -2.98 | |
| Zinc | 49350 | 0 | 300 | -300 | 49050 | 5075 | 43975 | 23-Jun | 64380 -2.95 | |

| Global Markets | | Currencies | | Precious Metals | | Previous Day's Fix | | | | |
|----------------|----------|------------|------|-----------------|---------|--------------------|---------|---------|---------|---------|
| Last | % Change | | Last | % Change | Last | % Change | AM | PM | | |
| DAX | 15914 | 0.50 | GBP | 1.2449 | -0.4956 | Gold | 2013.19 | -0.0923 | 2025.75 | 2015.95 |
| DJI | 33176 | -0.40 | JPY | 135.6900 | -0.8549 | Silver | 23.99 | -0.7886 | | 2488.5 |
| S&P500 | 4103 | -0.67 | EUR | 1.0855 | -0.5588 | Gold Comex | 2018.3 | -0.109 | | |
| SSE | 3272 | -1.12 | CNY | 6.9591 | -0.1466 | Platinum | 1056.76 | -3.662 | | |
| Hg Seng | 19627 | -0.59 | AUD | 0.6640 | -0.9251 | Palladium | 1509.25 | -3.2352 | | |
| Brent | 74 | -1.03 | CAD | 1.3560 | -0.5088 | | | | | |

Source: Bloomberg
Updated: 12/05/2023 17:30

All price data is from 12.05.2023 as of 17:30

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