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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
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
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All price data is from 12.05.2023 as of 17:30

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