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THU 18 MAY 2023 00:10

Daily Base Metals Report

US stocks strengthened on the back of growing hopes that a narrower Washington negotiator group could help break the deadlock on raising the debt ceiling levels. Markets are not yet getting excited about this resolution, but many remain hopeful that a positive outcome will be reached. The dollar continued to gain ground, and the 10yr US Treasury yield also edged higher. Elsewhere, China's home price growth stalled in April, rising by 0.32% m/m, highlighting potential challenges in the housing market despite recent recovery.

Base metals prices rebounded strongly today as support levels held firm, helping to offset yesterday's losses. Still, the upside momentum was not enough to break back above last week's robust levels. The metals outlook remains centred around China's story, and we expect markets to trade sideways, waiting for the next best move. From the fundamental standpoint, there is also a lack of strong momentum: while production from China continues to improve, consumption remains lacklustre, resulting in building inventories for end-users. Copper bounced off the support level at \$8,100/t, back above \$8,250/t to close at \$2,296.50/t. Aluminium also strengthened, but resistance at \$2,300/t held firm and the metal close below at \$2,296.50/t. Gains in stainless steel materials, such as zinc and nickel, were lacklustre, suggesting a stronger fundamental downside pressure on these metals in the near term. Both metals closed at \$2,524/t and \$21,334/t, respectively.

Oil futures jumped higher on the back of renewed optimism, pushing WTI and Brent to \$72/bl and \$76/bl. Losses in gold and silver remained lacklustre, given last night's declines, as the metals traded at \$1,980/oz and \$23.67/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2261	2308	2259	2296.5	2265	18903	632232	-2.00	104.24
Copper	8096	8339	8089	8302	8120	20343	256136	-39.00	376.12
Lead	2046	2074	2035	2055.5	2044	6193	114230	-4.30	93.19
Nickel	21050	21660	20975	21334	21005	3379	135555	-132.00	966.16
Tin	24305	25050	24290	24802	24390	458	13861	275.00	1125.60
Zinc	2500	2552	2487	2524	2499	7098	180980	-5.25	114.53
Total:						56374	1332994		

Official Prices	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2269	2273.5	2431.25	2529.25	2254.5	2259.5	2279.909091	2287.636364	
Copper	8176	8209	8191.5	8211.5	8074.24	8121.5	8380.363636	8411.636364	
Lead	2050	2060	2093	2118	2031.25	2045.5	2106.863636	2113.136364	
Nickel	21320	21425	22323	23278	20986	21122	23150.454545	23206.36364	
Tin	25150	24900			24814	24524	26039.54545	25744.09091	
Zinc	2521.5	2532	2537.75	2512.75	2479.5	2492	2580.363636	2592.090909	

LME Stocks (tonnes)	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	562450	2000	5450	-3450	559000	183200	375800	Comex, USc/lb		
Copper	83825	2800	0	2800	86625	225	86400	MAY 23	365.45	-2.22
Lead	33300	300	0	300	33600	2825	30775	JUL 23	366.7	-2.24
Nickel	39270	0	72	-72	39198	2496	36702	Shanghai, CNY/mt		
Tin	1675	35	0	35	1710	10	1700	23-Jun	64340	-0.71
Zinc	48450	0	1200	-1200	47250	3900	43350	23-Jul	64210	-0.67

Global Markets	Currencies		Precious Metals		Previous Day's Fix					
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	15951	0.34	GBP	1.2483	-0.0400	Gold	1981.31	-0.3951	2009.9	2007.45
DJI	33197	0.56	JPY	137.4800	-0.7928	Silver	23.68	-0.3023		2378.5
S&P500	4129	0.46	EUR	1.0832	-0.2762	Gold Comex	1984.8	-0.411		
SSE	3284	-0.21	CNY	6.9986	-0.3043	Platinum	1077.58	1.303		
Hg Seng	19561	-2.09	AUD	0.6655	-0.0150	Palladium	1491	-0.6318		
Brent	77	2.16	CAD	1.3462	0.1486					

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

All price data is from 17.05.2023 as of 17:30

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