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Daily Base Metals Report

US stocks fluctuated, edging slightly lower as another day ended without the resolution of debt-ceiling talks. The dollar is trading comfortably above 103.0, and the US 10yr Treasury yield strengthened to 3.73%, highs not seen since February. In economic views, US new home sales rose to the highest level since March 2022, and prices declined as markets benefitted from the pause in mortgage rate expectations. Meanwhile, business activity jumped to 54.5 in May's preliminary figures, supporting the gains in the composite index, pushing it to an over-a-year high. European stocks were weaker after similar data pointed to a further contraction in manufacturing activity, despite showing marginal improvement on a month-on-month basis; services softened slightly.

Base metals continued to decline today, falling back to robust support levels after last week's moderate gains, keeping the trading broadly rangebound. Aluminium declined to the support of \$2,220/t before edging slightly higher to \$2,227/t. Copper fell to test the \$8,100/t level, closing at \$8,102/t. Zinc continued to weaken to new lows, closing at \$2,372.50/t; lead remained broadly unchanged at \$2,073/t. Cash to 3-month spreads have weakened in recent weeks as demand optimism out of China continued to weaken. In particular, the copper spread continued to decline, falling to the lows of -\$70.00/t, the level not seen since the early 2000s; we suspect that markets are pricing in lower demand expectations out of China as supply remains broadly unchanged.

Oil futures jumped higher after the news that Saudi Minister warned the short sellers, pushing WTI and Brent up to \$73/bl and \$77/bl. Gold and silver edged lower to \$1,967/oz and \$23.40/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2266	2270	2216	2227	2264	21212	622303	-24.40	101.15
Copper	8140	8194	8022	8102	8143	19761	254585	-70.25	367.23
Lead	2088	2088	2068	2073	2093	4049	110877	-1.50	94.17
Nickel	21400	21500	20900	21047	21280	3268	136709	-170.00	954.82
Tin	24825	25000	24015	24320	24995	655	14283	134.99	1103.15
Zinc	2425	2436	2362	2372.5	2426	9069	185870	-5.00	107.28
Total:						58014	1324627		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2202	2227	2401.2	2497.2	2253.25	2263.5	2277	2283.6
Copper	7961	8037	8237.03	8257.03	8061.53	8127.5	8308.833333	8347.033333
Lead	2072	2071	2111.5	2137	2092	2087.5	2099.2	2102.7
Nickel	20760	20985	22648	23548	21273	21413	22628.66667	22714.33333
Tin	24300	24125			25115	24950	25789.33333	25524
Zinc	2362.5	2373	2401.05	2382.55	2426	2431.5	2543.5	2554.6

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	555000	6900	2150	4750	575875	177675	382075	Comex, USc/lb		
Copper	92250	2775	0	2775	95025	425	94600	MAY 23	367.4 -1.3	
Lead	34175	300	0	300	34475	2925	31550	JUL 23	368.5 -1.26	
Nickel	39078	0	18	-18	39060	2526	36534	Shanghai, CNY/mt		
Tin	1830	0	0	0	1830	125	1705	23-Jun	64890 -0.64	
Zinc	46275	0	500	-500	45775	2525	43250	23-Jul	64690 -0.65	

Global Markets		Currencies		Precious Metals			Previous Day's Fix			
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	16153	-0.44	GBP	1.2414	-0.1849	Gold	1966.86	-0.2536	1981.2	1970.30
DJI	33297	0.03	JPY	138.7900	-0.1369	Silver	23.41	-0.9315		2385
S&P500	4184	-0.21	EUR	1.0770	-0.3977	Gold Comex	1987.1	-0.431		
SSE	3246	-1.52	CNY	7.0497	-0.2511	Platinum	1056.18	-1.3303		
Hg Seng	19431	-1.25	AUD	0.6619	-0.5110	Palladium	1465.07	-1.7562		
Brent	77	1.66	CAD	1.3492	0.0964					

Source: Bloomberg
Updated: 23/05/2023 17:30

All price data is from 23.05.2023 as of 17:30

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