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FRI 26 MAY 2023 00:10

# Daily Base Metals Report

US stocks rose today, with AI companies driving the upside, helping to outweigh downward pressures from debt-ceiling discussion concerns. From a macroeconomic perspective, US initial jobless claims remained in the lower ranges of 229,000 in the week ending May 20th, below market expectations. Meanwhile, US GDP Q1 performance was revised higher to 1.3% annualised pace; still, average GDP and GDI figures are showing that the economy is losing momentum from the impacts of tighter monetary policy and elevated inflation. On the other hand, Germany dipped into a technical recession in Q1 after contracting by 0.3% and 0.0% q/q over the last two quarters. Despite the mixed economic performance, both Fed and the ECB saw the bets for a further tightening increase in recent days, with 22bps and 44bps of hikes priced over the next two meetings, respectively. The dollar breached the 104 level, and the 10yr yield is now at 3.78%.

Base metals strengthened slightly today, recovering some of yesterday's losses, despite continued worries over China losing momentum. This underscores our belief that recent downside moves are mostly sentiment driven, and a lack of positive news out of the region is weighing on demand expectations. In particular, the construction sector is continuing to underperform, with zinc the only metal struggling to push higher today, closing near new lows of \$2,272/t. Given the majority of its demand coming from galvanised steel usage, zinc, unlike nickel, has little fundamental support in the meantime. Some dip buying might take place at these levels, but we do not anticipate these moves to be large, given that market players have enough buffer stock. Aluminium tested the support at \$2,200/t once again but struggled below it before pushing higher to \$2,223/t. Copper strengthened but still struggled to break back above \$8,000/t; the metal closed at \$7,962.50/t. Lead closed at \$2,074/t.

Oil futures sold off after OPEC+'s decision to keep the output unchanged; WTI and Brent now trade at \$71/bl and \$75/bl. Gold and silver pared further declines to \$1,944/oz and \$22.8/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2209	2239	2193	2231	2206	18680	625640	8.50	100.90
Copper	7904	8020	7871	7962.5	7891	17730	259015	-43.00	360.65
Lead	2047	2078	2027	2074	2045	6772	113580	-1.00	93.69
Nickel	20755	21650	20755	21228	20755	3243	138351	-210.00	964.57
Tin	24100	24725	24010	24607	24050	395	14564	196.00	1113.81
Zinc	2296	2315	2215	2272	2295	14058	191293	-13.00	102.54
					<b>Total:</b>	<b>60878</b>	<b>1342443</b>		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2236	2226	2373.24	2468.74	2211.18	2205	2272.058824	2277	
Copper	7922	7960	8008	8043	7851.75	7901.5	8262.617647	8301.529412	
Lead	2032.5	2031.5	2109	2134.5	2046.75	2049	2092.794118	2095.911765	
Nickel	21125	21395	22019	22924	20522	20732	22438.52941	22541.76471	
Tin	24725	24450			24127.01	23965	25653.82353	25387.35294	
Zinc	2224	2236.5	2299.34	2294.34	2305.25	2313	2510.735294	2522.088235	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	575675	0	200	-200	575475	177275	398200	Comex, USc/lb		
Copper	96675	275	0	275	96950	350	96600	MAY 23	355.35 -2.42	
Lead	34975	525	25	500	35475	2875	32600	JUL 23	356.15 -2.54	
Nickel	39060	0	144	-144	38916	2406	36510	Shanghai, CNY/mt		
Tin	1890	0	0	0	1890	145	1745	23-Jun	64160 -1.12	
Zinc	45400	18325	275	18050	63450	2425	61025	23-Jul	63950 -1.14	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15794	-0.31	GBP	1.2320	-0.3639	Gold	1944.66	-0.6387	1976.8
DJI	32614	-0.57	JPY	139.8200	-0.2503	Silver	22.82	-1.0227	2341.5
S&P500	4137	0.52	EUR	1.0721	-0.2698	Gold Comex	1963.4	-0.993	
SSE	3201	-0.11	CNY	7.0764	-0.2190	Platinum	1027.59	-0.0399	
Hg Seng	18747	-1.93	AUD	0.6502	-0.6418	Palladium	1436.37	1.2384	
Brent	75	-4.03	CAD	1.3642	-0.3445				

Source: Bloomberg  
Updated: 25/05/2023 17:30

All price data is from 25.05.2023 as of 17:30

#### Risk warning

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