



Authors

Daria Efanova
Head of Research

WED 31 MAY 2023 00:10

Daily Base Metals Report

US stocks strengthened, led by tech shares, on the back of hopes of debt-ceiling discussions being resolved. This week is set to be quiet overall, with some macro data releases, including confidence indicators and PMIs. The latter, in particular, should once again highlight the case for weaker manufacturing in China, but the service sector is also showing signs of weakness after months of positive gains after the lockdown restriction reopening. Still, all eyes are on the debt-ceiling negotiations as the deadline for the resolution approaches early next week. The dollar dropped back below 104, and the 10yr US Treasury yield is now trading at 3.70%. Euro area inflation is set to have slowed considerably in May, given the softer energy impact; however, the overall trend of resilient core reading is set to remain intact. In particular, inflation expectations in the region fell to the lowest level since 2020, according to the European Commission data.

We saw some decent moves on the downside last week, especially in copper and zinc. Zinc weakened, falling to July 2020 lows, especially given the large inventory increases. We have seen a price recovery in the complex since, and today's sentiment improved slightly on the open but struggled to hold momentum. The sentiment for this week is set to be quieter. Copper continued to remain supported above \$8,100/t. Aluminium weakened below the support of \$2,230/t and despite testing this level, continued to edge lower down to \$2,224/t. Lead and zinc closed at \$2,064/t and \$2,302.50/t, with the spread between the two now at \$473/t, summer 2020 lows.

Oil futures sold off after building doubts surrounding the future curbs from OPEC+; WTI and Brent have fallen to \$69/bl and \$74/bl. Gold and silver edged higher but remained near the lows of \$1,960/oz and \$23.26/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2236	2238	2198	2224	.	19327	623798	27.51	100.88
Copper	8128	8185	8042	8123		16796	256723	-20.00	368.46
Lead	2071	2076	2050	2064		3691	116121	0.75	93.62
Nickel	21095	21725	20950	21027		3210	139477	-161.50	953.78
Tin	25070	26030	25070	25561		736	14872	306.00	1159.44
Zinc	2332	2354	2287	2302.5		9875	195827	-14.73	104.44
Total:						53635	1346818		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2230	2225	2385.5	2482.5			2268.263158	2272.210526
Copper	8122	8142	8191.35	8211.35			8245.710526	8283.210526
Lead	2078	2073	2099.5	2125			2090.236842	2092.973684
Nickel	21235	21500	22300	23250			22323.15789	22437.10526
Tin	25705	25350					25622.10526	25351.84211
Zinc	2323.5	2342	2338.5	2334.5			2490.842105	2502.868421

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	579775	6775	25	6750	586525	184550	401975	Comex, USc/lb		
Copper	97725	1975	0	1975	99700	11250	88450	MAY 23	358.05 0.76	
Lead	35475	350	0	350	35825	2875	32950	JUL 23	358.8 0.74	
Nickel	38700	0	528	-528	38172	1854	36318	Shanghai, CNY/mt		
Tin	1925	0	0	0	1925	145	1780	23-Jun	64120 0.91	
Zinc	74550	0	225	-225	74325	6275	68050	23-Jul	63900 1.01	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15909	-0.27	GBP	1.2387	0.2590	Gold	1958.65	0.7956	1953.5 1947.90
DJI	32932	-0.49	JPY	139.7600	0.4937	Silver	23.17	-0.0832	2314.5
S&P500	4199	-0.15	EUR	1.0717	0.0840	Gold Comex	1976.9	0.703	
SSE	3224	0.09	CNY	7.0799	-0.1243	Platinum	1021.43	-0.7019	
Hg Seng	18596	0.24	AUD	0.6505	-0.5200	Palladium	1408.52	-0.6777	
Brent	73	-4.81	CAD	1.3611	-0.1396				

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

All price data is from 30.05.2023 as of 17:30

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).