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Daily Base Metals Report

US stocks edged lower as the risk-off sentiment intensified today, but the S&P 500 still managed to close the third straight month with gains – the longest-running streak since the summer of 2021. The 30yr mortgage rates jumped 22bps to 6.91%, further stifling demand for home purchases. Germany, in line with other bloc's economies, pointed to a slowdown in inflationary pressures, growing by 6.3% on a year-on-year basis. This helps to underscore the ECB's call for the end of its tightening cycle. Markets are no longer pricing a full 50bps by the ECB, with markets pointing to the peak rate at just below 3.75% by September. The dollar is trading at 104.50, whereas the 10yr US Treasury yield fell to 3.65%.

Base metals were once again under pressure after manufacturing performance out of China disappointed on the downside; the non-manufacturing also came below expectations as reopening optimisms cooled. At the same time, the value of new home sales in the region by the 100 biggest developers grew by 6.7% y/y; this pales in comparison with the 29% figure seen in the previous two months. Sales fell by 14% m/m. This news weighed on metals, especially used in the construction sector, as economic sectors struggle to show signs of recovery that markets originally anticipated. Only aluminium managed to gain some ground today, holding above \$2,200/t to close at \$22,46/t. Meanwhile, copper fell back below \$8,100/t to \$8,089/t. Lead and zinc saw the brunt of the decline, with both losing more than \$40/t of value on the day to close at \$2,012.50/t and \$2,248.50/t, respectively.

Oil futures continued to weaken, with muted China data weighing on demand outlook; WTI and Brent are now trading at \$68/bl and \$72/bl. Gold and silver continue to hold above the support levels at \$1,967/oz and \$23.03/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2228	2249	2201	2246	2228	19887	625996	40.50	101.88
Copper	8121	8124	8037	8089	8115	15022	256828	-19.00	366.91
Lead	2068	2069	2008	2012.5	2069	6665	114772	-0.97	91.29
Nickel	21015	21085	20310	20588	21000	3917	140165	-155.00	933.87
Tin	25335	25630	25085	25454	25650	667	15005	246.91	1154.59
Zinc	2285	2304	2235	2248.5	2290	14956	193858	-18.75	101.99
Total:						61114	1346624		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2255	2221.5	2400.5	2500.5	2251.51	2224	2267.6	2269.675	
Copper	8017	8047.5	8151.5	8166.5	8103	8123	8234.275	8271.425	
Lead	2035.5	2032	2046.25	2072	2064.75	2064	2087.5	2089.925	
Nickel	20450	20540	21857	22809	20865.5	21027	22229.5	22342.25	
Tin	25375	25210			25867	25561	25609.75	25344.75	
Zinc	2228	2250	2272.5	2268.5	2287.77	2302.5	2477.7	2490.225	

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	586525	300	7300	-7000	579525	182025	397500	Comex, USc/lb		
Copper	99700	275	825	-550	99150	10425	88725	JUL 23	366.3 -0.29	
Lead	35825	350	0	350	36175	2875	33300	SEP 23	367.9 -0.08	
Nickel	38172	0	390	-390	37782	1464	36318	Shanghai, CNY/mt		
Tin	1925	20	50	-30	1895	105	1790	23-Jun	65000 -0.25	
Zinc	74325	14100	925	13175	87500	5675	81825	23-Jul	64810 -0.18	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15664	-1.54	GBP	1.2417	0.0242	Gold	1967.08	0.3955	1949.5 1952.45
DJI	32893	-0.45	JPY	139.4200	0.2654	Silver	23.58	1.7597	2325.5
S&P500	4186	-0.47	EUR	1.0663	-0.6707	Gold Comex	1985.4	0.420	
SSE	3205	-0.61	CNY	7.1111	-0.4388	Platinum	1001.7	-2.2073	
Hg Seng	18234	-1.94	AUD	0.6491	-0.3990	Palladium	1370.5	-2.8965	
Brent	73	-1.13	CAD	1.3590	0.0883				

Source: Bloomberg
Updated: 31/05/2023 17:30

All price data is from 31.05.2023 as of 17:30

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