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Daily Base Metals Report

US stocks closed the week higher on Friday after a solid job report boosted risk-on sentiment. Nonfarm payrolls increased by 339,000 in May, after a solid 294,000 performance a month before. At the same time, the unemployment rate rose to 3.7%, and the wage growth cooled. Still, markets remain hopeful that the economy is resilient even in the face of elevated interest rates, and we saw forward swaps increase the case for further tightening from the Fed at 19bps across the next two meetings, underscoring that the economy is strong enough to take the effects of even higher interest rates. Still, we believe that policymakers are unlikely to hike rates in the coming meetings, as it takes 2-3 quarters on average for hikes to filter through the real economy. Further adding to the confidence is the Senate passing the legislation to suspend the debt ceiling today; the deal is most likely to be signed next week. The dollar remained supported by 103.40, and the 10yr US Treasury yield jumped back to 3.67%.

Base metals also saw another boost of optimism following the news that China might be working on releasing new measures to support the property market after existing properties failed to propel the sector in recent months. Metals primarily used in the construction segment benefitted the most. Iron ore futures jumped higher to \$104/mt, and zinc pared another day of gains, closing higher at \$2,306.50/t. Aluminium fluctuated after testing the resistance level at \$2,300/t before edging lower to \$2,263.50/t. Copper remained unchanged at \$8,237/t.

Oil futures also saw a protracted recovery, with WTI and Brent jumping back above \$72/bl and \$76/bl. Precious metals, including gold and silver, remained unchanged at \$1,962/oz and \$23.70/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2275	2315	2256	2263.5	2270	22794	627015	-29.29	102.67
Copper	8213	8381	8186	8237	8232	20834	252631	-3.50	373.63
Lead	2001	2041	1996	2031.5	2007	5535	117186	7.00	92.15
Nickel	21320	21720	21070	21211	21425	2621	141063	-120.00	962.12
Tin	25300	26020	25300	25651	25610	453	15312	238.99	1163.52
Zinc	2282	2342	2271	2306.5	2277	11393	200181	-5.50	104.62
				Total:		63630	1353388		

Official Prices	Monthly Avg							
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2263.5	2289.5	2415	2515	2314.25	2282.5	2272.25	2271.25
Copper	8337	8345	8284.75	8291.75	8240	8243.5	8273.75	8286
Lead	2010	2006	2066.45	2093.95	1995.5	1999	1999.5	1998.5
Nickel	21490	21585	22456	23406	21185	21318	21170	21267.5
Tin	26295	25950			25672	25437	25935	25675
Zinc	2302	2323	2326.5	2331.5	2250.25	2267	2286.5	2304.75

LME Stocks (tonnes)	Other Copper Markets									
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	578825	225	25	200	579025	243525	335500	Comex, USc/lb		
Copper	99525	250	1100	-850	98675	9350	89325	JUL 23	371.1	2.03
Lead	36450	0	0	0	36450	2875	33575	SEP 23	372.7	2.01
Nickel	37686	0	84	-84	37602	2160	35442	Shanghai, CNY/mt		
Tin	1970	0	0	0	1970	125	1845	23-Jun	66100	0.81
Zinc	87450	0	0	0	87450	10800	76650	23-Jul	65910	0.98

Global Markets	Currencies				Precious Metals				Previous Day's Fix		
Last	% Change			Last	% Change		Last	% Change		AM	PM
DAX	16051	1.25	GBP	1.2454	-0.5748	Gold	1953.65	-1.2116	1958.75	1974.35	
DJI	33722	2.00	JPY	139.8800	-0.7721	Silver	23.70	-0.6715		2349	
S&P500	4284	1.48	EUR	1.0713	-0.4553	Gold Comex	1970.1	-1.273			
SSE	3230	0.79	CNY	7.0892	0.1185	Platinum	1002.8	-0.6844			
Hg Seng	18950	4.02	AUD	0.6613	0.6392	Palladium	1407.58	0.7155			
Brent	76	2.23	CAD	1.3443	0.0446						

Source: Bloomberg
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All price data is from 02.06.2023 as of 17:30

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