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Daily Base Metals Report

US stocks gained ground despite weaker macroeconomic data releases today, with tech shares driving the incline. US initial jobless claims jumped to 261,000 in the week ending June 3rd, the highest level since October 2021, highlighting that some softness is starting to show despite the historically-resilient job market. This has eased some expectations for a Fed hike in July, bringing it back to 18bps, in line with the level that we saw ahead of the positive non-farm payrolls and ADP data. This suggests that markets continue to hedge their bets for further tightening from the perspective of labour market data; we expect that next week's inflation data and upcoming minutes should be a better indication of the July meeting's outcome. The dollar continued to fall, whereas the 10yr US Treasury yield held above 3.70%.

Softer Fed hiking expectations brought on some risk-on sentiment in the latter half of the day, urging base metals to settle higher. Copper remained above \$8,300/t, but resistance at the moving averages is capping an upside breakout. Likewise, aluminium strengthened above \$2,250/t and is currently holding above this level, closing at \$2,254.50/t. Zinc posted the third consecutive day of gains, closing at \$2,408.50/t. Lead closed at \$2,037.50/t. In May, Chinese production and smelter capacity increased further on a year-on-year basis; however, from the demand side, downstream sectors continued to show mixed performance, with operating rates lower than in the same period last year. This, once again, highlights the dislocated demand/supply picture and should continue to weigh on prices in the meantime.

WTI and Brent maintained above \$72/bl and \$76/bl levels. Gold and, in particular, silver rallied to \$1,965/oz and \$24.20/oz, respectively, on softening the monetary policy stance.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2212	2259	2211	2254.5	2213	15823	646833	-39.00	102.24
Copper	8292	8377	8246	8347.5	8293	16232	254019	-11.50	378.66
Lead	2039	2048	2014	2037.5	2044	3290	116947	14.50	92.56
Nickel	21410	21575	20995	21132	21505	2672	142176	-121.00	956.86
Tin	25550	25840	25330	25817	25650	380	15325	427.00	1164.38
Zinc	2384	2424	2353	2408.5	2385	8983	191460	-1.50	109.18
				Total:		47380	1366760		

Official Prices	Monthly Avg							
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2187.5	2227	2406.5	2508.5	2174.25	2219	2214.833333	2243.083333
Copper	8243	8263	8366	8356	8292.1	8293.5	8286.416667	8295.666667
Lead	2029.5	2020.5	2069.25	2097.75	2049.75	2044.5	2026.75	2019
Nickel	21110	21300	22296	23229	21309	21417	21019.16667	21144.16667
Tin	25950	25450			26092	25650	26020	25629.16667
Zinc	2371	2371	2423.75	2433.75	2399.1	2398.5	2314.5	2322.833333

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	589450	0	7325	-7325	582125	265650	316475	Comex, US\$/lb		
Copper	100100	775	1425	-650	99450	54925	44525	JUL 23	375.6 -0.33	
Lead	37150	0	0	0	37150	2875	34275	SEP 23	376.55 -0.41	
Nickel	37386	0	0	0	37386	2640	34746	Shanghai, CNY/mt		
Tin	1960	35	0	35	1995	60	1935	23-Jun	66860 -0.09	
Zinc	86625	0	100	-100	86525	12900	73625	23-Jul	66770 0.12	

Global Markets	Currencies				Precious Metals				Previous Day's Fix	
Last	% Change			Last	% Change		Last	% Change	AM	PM
DAX	15990	0.18	GBP	1.2548	0.8844	Gold	1967.70	1.4268	1963.05	1967.35
DJI	33765	0.30	JPY	138.9300	0.8637	Silver	24.25	3.5558		2358.5
S&P500	4284	0.38	EUR	1.0784	0.7945	Gold Comex	1982.8	1.246		
SSE	3214	0.49	CNY	7.1127	0.3135	Platinum	1012.3	-0.9404		
Hg Seng	19299	0.25	AUD	0.6712	0.9020	Palladium	1367.73	-2.0637		
Brent	75	-2.88	CAD	1.3362	0.0599					

Source: Bloomberg
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All price data is from 08.06.2023 as of 17:30

Risk warning

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