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Daily Base Metals Report

US stocks edged higher on Monday as markets braced for a week packed with macroeconomic and monetary policy releases. This should add some volatility to the market, but we believe most of the moves have already been priced in. The Fed is poised to keep the rates unchanged during the June meeting, and we expect inflation and labour market data to guide the market's tightening expectations into the July meeting. The ECB, on the other hand, is likely to hike by 25bps. The more interesting part is likely to come from Lagarde's speech regarding the timing of the end of the tightening cycle. At the same time, policymakers are set to update their GDP and inflation forecasts. Most likely, we will see another hike in July before keeping rates higher for longer. The dollar wavered around 103.50, and the 10yr US Treasury yield held firm at 3.75%.

Iron ore futures fell for the first time in nine days after the report from Goldman Sachs indicated further weakness in China's property market. The metal acts as a proxy for the region's industrial outlook, and recent stimulus support releases from government officials helped to bring prices above \$100/mt. Even with a possibility of the PBoC adding monetary stimulus on Thursday, today's trading closed lower at \$108.87/mt. Other construction metals, such as zinc and nickel, fell as a result, down to close at \$2,349.50/t and \$20,755/t, respectively. Aluminium was also on the back foot, falling back to close at \$2,228/t while maintaining the longer-term range. Copper support at \$8,300/t held firm, closing at \$8,310.50/t. In line with other risk assets, key events this week would be the US CPI and subsequent Fed meeting on Wednesday. However, after that, we struggle to see any strong incentive to push prices out of the current ranges.

Oil futures, in line with iron ore, responded sharply on the downside after mounting China demand concerns, with WTI and Brent falling to \$67/bl and \$72/bl. Gold and silver fluctuated as markets remained uncertain about the future path of tightening from the Fed, keeping the prices unchanged at \$1,957/oz and \$24.00/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2268	2268	2224	2228	2262	13149	646523	-38.75	101.02
Copper	8331	8346	8262	8310.5	8339	11255	250471	-25.50	376.87
Lead	2056	2080	2047	2073	2059	5208	115764	22.00	93.74
Nickel	21120	21405	20720	20755	21150	2611	141870	-139.00	942.57
Tin	26100	26145	25605	25901	26190	360	15684	440.00	1176.86
Zinc	2375	2384	2324	2349.5	2373	7529	185549	-2.25	106.19
					Total:	40112	1355861		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2188	2234	2419.5	2521.5	2229.01	2268	2212.25	2244.8125
Copper	8287	8320	8387	8368	8349	8371.5	8296.6875	8310.625
Lead	2090	2073	2093	2121.5	2074	2056	2038.8125	2029.375
Nickel	21100	21275	22311	23244	21031	21170	21075.625	21212.5
Tin	26350	25900			26977	26502	26193.125	25765.625
Zinc	2356.5	2363.5	2368.5	2378.5	2401	2404.5	2330.0625	2337.9375

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	578300	0	325	-325	577975	262725	315250	Comex, USc/lb		
Copper	97650	775	3025	-2250	95400	53750	41650	JUL 23	379.5 1.04	
Lead	37150	0	0	0	37150	2875	34275	SEP 23	380.3 1.00	
Nickel	37230	690	174	516	37746	2538	35208	Shanghai, CNY/mt		
Tin	2025	40	5	35	2060	50	2010	23-Jun	67060 0.30	
Zinc	85800	0	300	-300	85500	10375	75125	23-Jul	66880 0.16	

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	16098	0.93	GBP	1.2489	-0.6602	Gold	1955.73	-0.2784	1963.55	1960.30
DJI	33908	0.09	JPY	139.6700	-0.1933	Silver	23.97	-1.3107		2431.5
S&P500	4312	0.30	EUR	1.0748	-0.0093	Gold Comex	1969.6	-0.384		
SSE	3229	-0.08	CNY	7.1445	-0.1960	Platinum	995.3	-1.621		
Hg Seng	19404	0.07	AUD	0.6749	0.1038	Palladium	1353.43	1.8758		
Brent	73	-2.79	CAD	1.3377	-0.2766					

Source: Bloomberg
Updated: 12/06/2023 17:30

All price data is from 12.06.2023 as of 17:30

Risk warning

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