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TUE 13 JUNE 2023 00:10

# 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     |
|           |       |       |       |           | <b>Total:</b> | <b>40112</b> | <b>1355861</b> |         |            |

| 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

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