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# Daily Base Metals Report

A mix of contrasting data across the market today widened the divergence between key central banks' tightening expectations. In the US, stocks gained ground after inflationary expectations eased by more than expected: the overall CPI performance slowed to 4.0% y/y, marking the lows not seen since the end of 2021. The core reading, while remaining above forecasts, has also eased, down to 5.3% in May. Moderating inflation has prompted swap traders to lower their monetary policy tightening expectations, with the July meeting now pricing in 17bps with the probability of 57%, vs 21bps a day before. On the other hand, the UK's labour market data surprised on the upside, underscoring lower unemployment alongside further wage pressures, raising the stakes for further interest rate increases from the BOE – 128bps worth of increases are currently being priced in until the end of the year. The dollar weakened slightly to 103.20, and the 10yr US Treasury yield remained unchanged.

Base metals complex benefitted today from a combination of potential stimulus from China and a softer dollar. Chinese officials are considering a broad package of supportive measures to boost economic performance, in particular the real estate and domestic demand. An additional 7-day RRR reduction today has added to the sentiment. We suspect that, given a lack of a strong domestic demand outlook, officials will continue to release additional support measures to nudge sentiment higher, before further accelerating it into the second half of the year. Nickel and iron ore futures were once again the beneficiaries of this move, gaining ground to settle at \$21,952/t and \$111.66/mt, respectively. Other metals saw more moderate gains, with aluminium edging slightly higher to \$2,232/t while copper strengthened into the resistance level of \$8,500/t. Lead and zinc closed higher at \$2,080.50/t and \$2,381.50/t, respectively.

Oil futures recovered recent losses, supported by the possibility of further support from China, with WTI and Brent now trading at \$69/bl and \$74/bl. Gold and silver weakened sharply in the latter half of the day despite easing expectations from the Fed to tighten; gold and silver remained broadly unchanged by the end of the day at \$1,945/oz and \$23.80/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2226	2249	2225	2232	2222	13033	641894	-39.75	101.24
Copper	8291	8516	8289	8460	8288	22688	251620	-16.00	383.27
Lead	2069	2086	2057	2080.5	2066	4343	117532	32.00	94.33
Nickel	21015	21690	20790	21952	21040	2955	143183	-93.00	983.63
Tin	25860	26300	25800	26065	25995	233	15824	456.00	1182.30
Zinc	2338	2400	2338	2381.5	2333	7537	184905	2.00	107.73
					<b>Total:</b>	<b>50789</b>	<b>1354958</b>		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2193.5	2236	2393	2489	2186.29	2228	2210.166667	2243.833333	
Copper	8421.5	8444	8335	8325	8282	8310.5	8310.555556	8325.444444	
Lead	2106	2077	2093	2121.5	2095	2073	2046.277778	2034.666667	
Nickel	21250	21350	21842	22788	20662	20755	21095	21227.77778	
Tin	26625	26200			26341	25901	26241.11111	25813.88889	
Zinc	2382	2382	2392	2402	2347.25	2349.5	2335.833333	2342.833333	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	577975	0	2650	-2650	575325	264900	310425	Comex, USc/lb		
Copper	95400	725	6825	-6100	89300	47925	41375	JUL 23	375.2 -0.98	
Lead	37150	800	100	700	37850	2775	35075	SEP 23	376.55 -0.91	
Nickel	37746	12	54	-42	37704	2916	34788	Shanghai, CNY/mt		
Tin	2060	0	30	-30	2030	30	2000	23-Jun	67280 0.25	
Zinc	85500	0	625	-625	84875	9900	74975	23-Jul	67010 -0.13	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	16227	0.80	GBP	1.2604	0.7595	Gold	1943.79	-0.7176	1964.15
DJI	34205	0.41	JPY	140.0700	-0.3355	Silver	23.77	-1.1786	2421
S&P500	4371	0.73	EUR	1.0791	0.3161	Gold Comex	1956.9	-0.650	
SSE	3234	0.15	CNY	7.1572	-0.1509	Platinum	981.9	-1.3374	
Hg Seng	19521	0.60	AUD	0.6777	0.3851	Palladium	1372.08	1.3802	
Brent	74	3.13	CAD	1.3302	0.4962				

Source: Bloomberg  
Updated: 13/06/2023 17:30

All price data is from 13.06.2023 as of 17:30

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