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Daily Base Metals Report

US stocks strengthened once again, with S&P 500 posting the fifth consecutive day of gains ahead of the Fed meeting today. Softer producer prices, which grew by 1.1% y/y in May, have once again highlighted that inflationary pressures is softening at a solid rate. Policymakers are expected to pause the rates today; however, bets for the July hike are still present, although diminished since the start of the week, and now the market is pricing in interest rates to peak in September instead of July. The 2yr and 10yr Treasury yields remained broadly unchanged. The dollar sold off below 103. China's key economic indicators are being released tomorrow, and we expect the figures to start to show a genuine picture of the economy's environment as post-lockdown appetite is subsiding.

Base metals' gains accelerated today, and construction-heavy materials were once again the beneficiaries of risk-on sentiment. In particular, nickel jumped higher for the second straight day, breaking above the \$22,000/t level to close at \$22,720/t. Zinc rallied sharply as additive impacts of macro and fundamentals pushed the metal to test the \$2,500/t level before closing at \$2,486.50/t. Zinc has been one of the worst-performing metals so far this year, putting further pressure on European smelters that have been struggling energy pricing risks since the start of last year. Lower prices have diminished smelters' profit margins, threatening further closures; this winter season should prove the most challenging for zinc production, as higher energy prices could stall the reopening of capacity. Aluminium and copper gained marginal ground to \$2,253.50/t and \$8,509/t, respectively.

Oil futures struggled to hold up earlier gains, with WTI and Brent closing marginally unchanged. Gold and silver strengthened into \$1,956/oz and \$24.00/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2231	2263	2231	2253.5	2232	16682	639533	-39.00	102.22
Copper	8436	8520	8385	8509	8441	21115	253902	0.00	385.97
Lead	2081	2119	2076	2117.5	2082	8540	118248	30.50	95.96
Nickel	22095	22900	21855	22720	22110	4186	144793	-72.00	1031.48
Tin	25865	26845	25800	26762	25940	526	15898	1075.00	1215.64
Zinc	2385	2491	2378	2486.5	2380	12536	184667	1.50	112.58
					Total:	63585	1357041		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2200	2243	2378	2480	2194.25	2232	2209.15	2243.75	
Copper	8457	8466.5	8462	8490	8450	8460	8325.2	8339.55	
Lead	2147	2107	2125.75	2154.25	2111.5	2080.5	2056.35	2041.9	
Nickel	22155	22305	23038	23918	21880	21952	21201	21335.5	
Tin	27100	26350			26521	26065	26327	25867.5	
Zinc	2450	2443.5	2491	2501	2383.5	2381.5	2347.25	2352.9	

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	575325	0	2550	-2550	572775	262875	309900	Comex, USc/lb		
Copper	89300	700	5750	-5050	84250	42175	42075	JUL 23	383.1	2.11
Lead	37850	650	100	550	38400	2675	35725	SEP 23	384.1	2.01
Nickel	37704	0	588	-588	37116	2376	34740	Shanghai, CNY/mt		
Tin	2030	0	10	-10	2020	20	2000	23-Jun	68110	1.23
Zinc	84875	0	1775	-1775	83100	8525	74575	23-Jul	67860	1.27

Global Markets

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	16311	0.49	GBP	1.2692	0.6343	Gold	1956.26	0.6441	1964	1954.40
DJI	34105	-0.31	JPY	139.4000	0.5882	Silver	24.02	1.4895		2419
S&P500	4386	0.38	EUR	1.0856	0.5837	Gold Comex	1969.5	0.557		
SSE	3229	-0.14	CNY	7.1490	0.2406	Platinum	977.53	-0.3669		
Hg Seng	19408	-0.58	AUD	0.6829	0.9162	Palladium	1404.72	3.2488		
Brent	74	-0.89	CAD	1.3284	0.2559					

Source: Bloomberg
Updated: 14/06/2023 17:30

All price data is from 14.06.2023 as of 17:30

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