

Authors

Daria Efanova
Head of Research

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Daily Base Metals Report

A slew of macroeconomic data struggled to weigh on risk-on sentiment today as US stocks pushed higher on speculation that the tightening cycles might end sooner to prevent a recession. Yesterday, the Fed kept the rates unchanged; however, it provided a clouded outlook in regard to the upcoming meetings. While most policymakers feel that further tightening is necessary, the central bank will continue to watch the data ahead of the decision-making process. The uncertainty about the tightening outlook is likely to bring about greater bouts of volatility following macroeconomic releases as markets adjust their expectations. Subsequently, the ECB increased the interest rates by 25bps, in line with expectations, signalling that a further hike is very likely. As a result, the dollar sold off, falling to 102.40. The 10yr US Treasury yield remained unchanged, while the 2yr yield continued to climb to 4.70%. From the economic perspective, US factory production remained sluggish in May, while retail sales rose to 0.3% m/m in the same period, highlighting continued divergence between manufacturing and service sectors.

Base metals held firm, prompted by further support from Chinese policymakers. This is despite another month of softening economic performance, with retail sales and industrial production slowing to 12.7% and 3.5% y/y, respectively. We expect this data to help recalibrate expectations as to what comes next from China, and given our belief of a stronger push from the stimulus perspective, beyond rate cuts and infrastructure spending, this could provide a much-needed upside boost for base metals. Aluminium struggled to earlier losses, settling at around \$2,249.50/t. Copper, on the other hand, saw greater gains by the end of the day, as support at \$8,400/t held firm, up to \$8,558/t. Lead and zinc closed marginally unchanged at \$2,130.50/t and \$2,480.50/t, respectively.

Oil futures recovered recent losses, as WTI and Brent strengthened into \$69/bl and \$74/bl. Gold and silver jumped higher by the end of the day, but they struggled to offset earlier losses, and both metals remained broadly unchanged at \$1,955/oz and \$23.80/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2231	2263	2231	2249.5	2232	16682	639533	-39.00	102.22
Copper	8436	8520	8385	8558	8441	21115	253902	0.00	385.97
Lead	2081	2119	2076	2130.5	2082	8540	118248	30.50	95.96
Nickel	22095	22900	21855	22993	22110	4186	144793	-72.00	1031.48
Tin	25865	26845	25800	27225	25940	526	15898	1075.00	1215.64
Zinc	2385	2491	2378	2480.5	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

	% Change			Last	% Change		% Change	Previous Day's Fix 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 15.06.2023 as of 17:30

Risk warning

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