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Daily Base Metals Report

US stocks fluctuated after Jerome Powell's speech warning that higher rates might be necessary to combat inflation. He further stated that it makes sense to continue moving rates higher in the coming months but at a more moderate pace; however, the timing of the hikes will depend on the incoming data. While the forward swaps are pricing in 19bps of increase in July, we do not yet see clear signs creating a case for further tightening. Inflation is softening at a healthy rate, and the labour market is tight enough to withstand an economic slowdown without triggering the case for abrupt wage increases. Growing uncertainty regarding the path of the Fed's monetary policy brings us into sentiment-driven territory, and until the next meeting, we expect to see heightened volatility in the markets, especially the dollar and near-term Treasury yields. In the meantime, the dollar softened slightly to 102.36, and the 2yr yield held firm at 4.75%.

Metals fluctuated sharply today as markets struggled to sway in either direction. Copper continues to hold above the \$8,500/t level, closing at \$8,602.50/t. Aluminium edged lower, testing the robust support level at \$2,200/t; the market rejected prices below this level and bounced back to \$2,223/t. Construction-heavy metals, nickel and zinc, diverged drastically in their performance today, with the former declining more than 3.0% on the day, below \$22,000/t to close at \$21,238/t. Zinc reversed earlier losses, closing at \$2,416/t.

Oil futures, in line with base metals, wavered but held firm above \$72/bl and \$76/bl for WTI and Brent, respectively. Gold and silver remained low at \$1,931/oz and \$22.72/oz.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2231	2238	2201	2223	2233	16622	627060	-43.50	100.88
Copper	8563	8623	8477	8602.5	8566	15271	253225	7.00	390.05
Lead	2141	2176	2132	2172	2147	6167	121794	100.50	98.52
Nickel	21960	22160	21160	21238	21960	2842	137269	-120.00	963.21
Tin	26805	27450	26805	27311	26705	327	16051	1664.00	1245.12
Zinc	2369	2435	2347	2416	2369	8464	177046	-9.51	110.36
Total:						49693	1332445		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2157	2205	2383.25	2487.25	2187.25	2230	2203.3	2241.566667	
Copper	8490	8498	8540	8530	8552.25	8548	8392.6	8403.4	
Lead	2242	2146.5	2173.75	2192.25	2209	2144.5	2101.766667	2073.366667	
Nickel	21350	21550	23086	23961	21919	22039	21568	21715.33333	
Tin	28595	27200			28247	26847	27099	26306.66667	
Zinc	2338	2359	2429	2435.5	2342.5	2359.5	2370.866667	2378.133333	

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	555675	0	4750	-4750	550925	247675	303250	Comex, USc/lb		
Copper	86325	900	2500	-1600	84725	35425	49300	JUL 23	386.95 -0.5	
Lead	39100	675	0	675	39775	2725	37050	SEP 23	387.95 -0.49	
Nickel	37782	1500	126	1374	39156	2934	36222	Shanghai, CNY/mt		
Tin	2290	90	0	90	2380	15	2365	23-Jul	68540 0.06	
Zinc	80025	0	200	-200	79825	7800	72025	23-Aug	68290 0.01	

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	16023	-0.55	GBP	1.2734	-0.2429	Gold	1932.13	-0.2215	1953.85 1930.45
DJI	34042	-0.03	JPY	142.0900	-0.4363	Silver	22.75	-1.6785	2377
S&P500	4375	-0.32	EUR	1.0950	0.2931	Gold Comex	1942.9	-0.246	
SSE	3198	-1.31	CNY	7.1794	0.0209	Platinum	948.59	-1.6394	
Hg Seng	19218	-1.98	AUD	0.6779	-0.0884	Palladium	1366.9	-1.4598	
Brent	77	1.67	CAD	1.3182	0.4021				

Source: Bloomberg
Updated: 21/06/2023 17:30

All price data is from 21.06.2023 as of 17:30

Risk warning

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