

Authors

Daria Efanova
Head of Research

FRI 23 JUNE 2023 00:10

Daily Base Metals Report

US stocks fluctuated after another remark by Jerome Powell arguing the case for further tightening from the Fed to contain inflationary pressures and quell growth. Despite the view of two more hikes from the central bank, the forward swaps are only pricing in 26bps by November this year. This follows the unexpected move from the BOE to increase interest rates by 50bps today, bringing the overall level to 2008 highs. While 133bps are being priced in until the end of the year, the pound struggled to hold to the gains made immediately after the announcement. Meanwhile, the dollar continued to edge higher, and the 2yr US Treasury yield is now at 4.76%. After the strong housing starts figure, sales of previously-owned homes showed a marginal increase in May, growing by 0.2% m/m; on a year-on-year basis, sales still remain down by more than 18%.

Base metals settled pretty much unchanged, despite fluctuations seen earlier today. Copper jumped higher to test the resistance of \$8,867/t; however, it struggled to hold above this level, coming back down to \$8,574/t. Copper cash to 3-month spread continued to climb further into backwardation, testing this year's highs at \$18/t. Lead struggled above the resistance of \$2,190/t, marking the first day of moderate declines after nine consecutive days of upward momentum; the metal closed at \$2,163.50/t. Aluminium, on the other hand, broke below the robust support of \$2,200/t during the day before bouncing back above this level; the metal is now seen testing this level once again. Zinc closed at \$2,456/t.

Oil futures sold off after Fed's hawkish comment, with WTI and Brent \$69/bl and \$74/bl. Gold and silver continued to weaken marginally to \$1,914/oz and \$22.42/oz, respectively.

								Spreads	Conversion	
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb	
Aluminium	2235	2246	2131	2201	2237	13968	631331	-38.00	100.00	
Copper	8575	8868	8550	8574	8591	16794	256718	18.00	388.64	
Lead	2165	2190	2150	2163.5	2167	5796	124906	67.50	97.64	
Nickel	21360	21550	21100	21182	21240	1494	138172	-172.00	959.81	
Tin	27495	27735	26830	27079	27475	274	16141	1495.00	1217.00	
Zinc	2427	2470	2414	2456	2416	7856	179818	-11.00	109.73	
				Total:		46182	1347086			
Official Prices								Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2		PD Cash	PD 3M	Cash	3M	
Aluminium	2190.5	2234	2378	2482		2181.75	2223	2202.5	2241.09375	
Copper	8670.5	8668	8582.5	8572.5		8606.25	8602.5	8409.96875	8419.9375	
Lead	2222	2164	2167.75	2191.25		2272.5	2172	2109.28125	2079.03125	
Nickel	21210	21350	22351	23251		21066	21238	21545.625	21692.5	
Tin	28650	27300				29015	27311	27195.9375	26368.75	
Zinc	2442.5	2456.5	2476.5	2483.5		2406.49	2416	2375.34375	2383.03125	
LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage		Last	% Change
Aluminium	550925	0	4550	-4550	546375	246425	299950	Comex, USc/lb		
Copper	84725	25	4350	-4325	80400	50275	30125	JUL 23	391.35	0.77
Lead	39775	0	0	0	39775	2725	37050	SEP 23	391.05	0.44
Nickel	39156	0	72	-72	39084	2886	36198	Shanghai, CNY/mt		
Tin	2380	200	15	185	2565	50	2515	23-Jul	0	0.00
Zinc	79825	0	1000	-1000	78825	7325	71500	23-Aug	0	0.00
Global Markets				Currencies		Precious Metals		Previous Day's Fix		
Last	% Change			Last	% Change		Last	% Change	AM	PM
DAX	15988	-0.22	GBP	1.2748	-0.1723	Gold	1913.35	-0.9935	1935.25	1925.65
DJI	33926	-0.08	JPY	142.8700	-0.6929	Silver	22.42	-0.9763		2307.5
S&P500	4370	0.10	EUR	1.0958	-0.2549	Gold Comex	1923.2	-1.116		
SSE	3198	-1.31	CNY	7.1794	0.0209	Platinum	929.76	-1.7229		
Hg Seng	19218	-1.98	AUD	0.6754	-0.6326	Palladium	1294.66	-4.4136		
Brent	74	-4.05	CAD	1.3158	0.0456					
Source:	Bloomberg									
Updated:	22/06/2023 17:30									

All price data is from 22.06.2023 as of 17:30

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).