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Daily Base Metals Report

After what should have been a volatile event over the weekend, markets were quiet on Monday; S&P 500 is marginally lower, and Eurostoxx managed to recover losses seen earlier in the day. We suspect to see heightened risks from the equity space this Friday, given the last-day-of-the-week effect but also the last day of the second financial quarter. Moreover, EU CPI and US PCE should help guide the narrative for central banks' tightening cycle this week. The dollar wavered around 102.70, and the 2yr US Treasury yield's gains began to slow at around 4.75% level. While we remain cautious about the case for further tightening from the Fed, we expect to see further dollar strength leading up to the July meeting as markets continue to price in a hike.

Base metals saw protracted selling pressures across the board on Monday, despite increased volatility seen in Russia over the weekend, as data continued to point to further spending weakness out of China. Given last year's move away from the region dependence and the growing presence of geopolitical hedges in portfolios, the volatility came in lower than expected. Instead, spreads continued to tighten, with tin cash to 3-month remaining above \$1,400/t, and copper strengthening further into backwardation to \$21.50/t. For the outright prices, we see a soft landing in metals as stimulus optimism fades. Aluminium continued to decline, falling further into recent lows of \$2,142/t to close at \$2,148.50/t. Copper fluctuated around the \$8,400/t area, closing at \$8,391/t. Other metals saw a sharp fall in prices, with lead losing as much as \$53/t to settle at \$2,069.50/t. Nickel breached the support level of \$21,000/t to close at \$20,305/t, the lows not seen since the end of May; this support level has held firm in the past.

Oil futures edged higher as traders did not price in any prolonged risks from Russian production; WTI and Brent are now trading at \$69/bl and \$74/bl. Precious metals held on to earlier gains, with gold and silver trading marginally higher at \$1,927/oz and \$22.85/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2178	2189	2143	2148.5	2174	19516	633650	-34.50	97.52
Copper	8440	8479	8347	8391	8420	17727	261401	21.50	380.84
Lead	2132	2133	2065	2069.5	2128	6429	127986	55.00	93.94
Nickel	21500	21575	20210	20305	21400	4488	138007	-194.00	919.44
Tin	26795	26810	25399	25635	26730	430	16101	1424.00	1163.48
Zinc	2374	2380	2325	2328	2358	7182	181232	-9.75	105.91
Total:						55772	1358377		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2116	2155	2332.25	2440.25	2135.4	2174.5	2193.805556	2232.638889
Copper	8437	8422	8378.24	8363.24	8409.24	8390.5	8415.916667	8423.277778
Lead	2159	2099	2077.25	2100.75	2176.25	2123	2116.527778	2083.388889
Nickel	20560	20800	22401	23281	21117	21311	21454.72222	21607.22222
Tin	26700	25450			28034	26476	27223.88889	26329.16667
Zinc	2331.5	2346	2341.5	2351.5	2351.25	2364.5	2372.194444	2380.75

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	540975	0	3200	-3200	537775	250400	287375	Comex, USc/lb		
Copper	79300	1000	200	800	80100	54375	25725	JUL 23	380.35	-2.22
Lead	39775	0	0	0	39775	2725	37050	SEP 23	381.55	-2.18
Nickel	38868	1020	420	600	39468	2298	37170	Shanghai, CNY/mt		
Tin	2730	175	0	175	2905	50	2855	23-Jul	0	0.00
Zinc	78775	0	175	-175	78600	11850	66750	23-Aug	0	0.00

Global Markets	Currencies			Precious Metals			Previous Day's Fix			
Last	% Change		Last	% Change		Last	% Change	AM	PM	
DAX	15813	-0.11	GBP	1.2726	0.0944	Gold	1927.73	0.3399	1919.35	1930.70
DJI	33721	-0.02	JPY	143.4800	0.1533	Silver	22.87	1.9703		2234
S&P500	4345	-0.08	EUR	1.0917	0.2111	Gold Comex	1937.6	0.415		
SSE	3151	-1.48	CNY	7.2375	-0.8028	Platinum	934.01	1.3356		
Hg Seng	18794	-0.51	AUD	0.6682	0.0299	Palladium	1317.98	2.3054		
Brent	74	0.61	CAD	1.3147	0.2738					

Source: Bloomberg
Updated: 26/06/2023 17:30

All price data is from 26.06.2023 as of 17:30

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