

Authors

Daria Efanova
Head of Research

WED 28 JUNE 2023 00:10

Daily Base Metals Report

US stocks strengthened after big tech rallied today, driven in part by a resilient macroeconomic environment. US new home sales advanced to the fastest pace in more than a year in May, given the continued inventory shortage; prices for homes also increased, marking the third straight month of recovery. Likewise, confidence indicators jumped to early 2022 highs on greater optimism about the labour market and a possibility of a softer landing in the face of elevated interest rates. Meanwhile, ECB's Lagarde stated that the central bank would not be able to declare the end of the tightening cycle anytime soon. The forward swaps are still pricing in 51bps until the year-end, up from 47bps seen by the end of last week. The dollar weakened slightly, while the 2yr US Treasury yield held firm at 4.75%

Base metals saw a broad-based recovery today, offsetting most of yesterday's losses after China's Premier stated that growth picked up this quarter and that more stimulus is yet to come. This has bolstered the risk-on sentiment, but we struggle to see a prolonged price increase until macroeconomic figures begin to show a sustainable recovery out of the region. Iron ore saw protracted upside pressures, regaining much of last week's losses back to \$113/mt. Aluminium jumped higher, strengthening to test the \$2,200/t level; the metal settled at \$2,195/t. Copper gains were marginal in comparison as the metal struggled above \$8,400/t, closing at \$8,363/t. Lead and zinc both settled higher at \$2,096.50/t and \$2,386.50/t, respectively.

Oil futures fluctuated, with WTI and Brent finding comfort at \$68/bl and \$73/bl. Likewise, gold and silver struggled to gain ground, holding above \$1,915/oz and \$22.90/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2147	2202	2147	2195	2146	23159	638844	-37.50	99.56
Copper	8365	8471	8331	8363	8388	19232	262847	19.00	379.34
Lead	2074	2115	2072	2096.5	2076	5645	127551	64.75	95.10
Nickel	20470	20865	20405	20789	20375	3769	139544	-208.00	942.98
Tin	25700	26360	25550	26283	25695	425	16016	1400.00	1192.19
Zinc	2339	2400	2334	2386.5	2334	7395	180954	-8.25	108.25
Total:						59625	1365756		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2151.5	2191.5	2346	2454	2110.5	2148.5	2191.578947	2230.473684	
Copper	8367	8360	8355.25	8345.25	8422	8391	8413.342105	8419.947368	
Lead	2169	2095.5	2102.75	2126.25	2124.5	2069.5	2119.289474	2084.026316	
Nickel	20335	20525	21874	22754	20090.5	20305	21395.78947	21550.26316	
Tin	27650	26050			27059	25635	27246.31579	26314.47368	
Zinc	2362	2376	2400	2410	2318.25	2328	2371.657895	2380.5	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	537775	4500	5850	-1350	536425	277550	258875	Comex, USc/lb		
Copper	80100	3175	6225	-3050	77050	45150	31900	JUL 23	378.4 -0.51	
Lead	39775	250	125	125	39900	2600	37300	SEP 23	380.45 -0.29	
Nickel	39468	0	120	-120	39348	2226	37122	Shanghai, CNY/mt		
Tin	2905	0	0	0	2905	50	2855	23-Jul	68420 -0.12	
Zinc	78600	0	350	-350	78250	11750	66500	23-Aug	68100 -0.07	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15847	0.21	GBP	1.2747	0.2674	Gold	1914.44	-0.4586	1930.55
DJI	33927	0.63	JPY	143.9700	-0.3195	Silver	22.87	0.3655	2280
S&P500	4370	0.95	EUR	1.0961	0.5043	Gold Comex	1923.7	-0.522	
SSE	3189	1.23	CNY	7.2232	0.2340	Platinum	929.07	0.1207	
Hg Seng	19148	1.88	AUD	0.6690	0.2247	Palladium	1300.13	-0.7557	
Brent	73	-1.97	CAD	1.3177	-0.1670				

Source: Bloomberg
Updated: 27/06/2023 17:30

All price data is from 27.06.2023 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).