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WED 12 JULY 2023 00:10

Daily Base Metals Report

US stocks saw another day of lacklustre moves as markers await the CPI data to be published tomorrow. The 2yr and 10yr yields both continued to soften, while the dollar broke support of 102. While inflation is set to continue cooling at a healthy pace, core readings have remained upwardly sticky and put further pressure on the Fed to tighten monetary policy. The 25bps for July has been pretty much priced in by markers, but the following meeting in September is now up for debate, with only 7bps seen through forward swaps pricing. Meanwhile, the Bank of Canada is likely to increase interest rates for the second consecutive meeting, which would bring inflation to highs not seen in 22 years.

Calls from the Chinese President to open up the economy and encourage foreign investment today have boosted sentiment across base metals today; however, this momentum struggled to last, and prices have continued to soften, following the longer-term trend. We believe that until we see a recovery from the second-largest economy portrayed in a sustainable way, metals should continue to drift lower. While markets still look out to China to gauge the outlook for metals this year, we are likely to see the market recalibrate their expectations towards a more balanced approach, with both Europe and the US domestic and macro outlook taken into consideration. Aluminium was one of the metals that continued to see upside momentum, gaining ground for the third straight day, breaking above the \$2,150/t resistance once again to close at \$2,168.50/t. Meanwhile, copper struggled above \$8,400/t to close at \$8,322.50/t. Lead and zinc maintained their current ranges, closing pretty much unchanged at \$2,052/t and \$2,356/t, respectively.

Oil futures, alongside iron ore, responded positively to China's optimism and strengthened; WTI and Brent are now trading at \$74/bl and \$79/bl. Gold and silver remained unchanged at \$1,930/oz and \$23.10/oz, respectively.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2154	2191	2153	2168.5	2154	14837	700141	-45.03	98.32
Copper	8384	8448	8306	8322.5	8383	16484	258928	-17.50	377.30
Lead	2060	2078	2050	2052	2063	4926	122428	4.75	93.35
Nickel	20700	21090	20600	20704	21020	2885	144274	-203.00	937.59
Tin	27800	28340	27750	27956	27800	398	15897	360.00	1267.58
Zinc	2360	2401	2353	2356	2355	7346	185029	-15.11	107.07
					Total:	46876	1426697		

Official Prices								Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2		PD Cash	PD 3M	Cash	3M
Aluminium	2129	2179.5	2324.75	2446.75		2098.09	2147	2102.428571	2151.142857
Copper	8371	8388	8351	8369		8356.49	8372.5	8313	8324.857143
Lead	2072	2057.5	2071.25	2093		2061.75	2062.5	2079.928571	2065.714286
Nickel	20460	20705	21775	22665		20816	21014	20469.28571	20692.85714
Tin	28750	28250				28435	27950	28507.14286	27843.57143
Zinc	2361	2379	2377	2387		2335	2353	2356.214286	2367

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage		Last	% Change
Aluminium	534075	0	2350	-2350	531725	258775	272950	Comex, USc/lb		
Copper	59425	975	3325	-2350	57075	16600	40475	JUL 23	377.15	0.12
Lead	44350	1550	100	1450	45800	2450	43350	SEP 23	378.45	0.07
Nickel	37944	204	270	-66	37878	2112	35766	Shanghai, CNY/mt		
Tin	4165	90	0	90	4255	55	4200	23-Jul	68350	0.19
Zinc	73500	0	575	-575	72925	11900	61025	23-Aug	68070	0.31

Global Markets						Precious Metals			Previous Day's Fix	
Last	% Change			Last	% Change	Last	% Change	AM	PM	
DAX	15790	0.75	GBP	1.2899	0.2955	Gold	1929.74	0.228	1925.05	1922.80
DJI	34174	0.68	JPY	140.5400	0.5479	Silver	23.04	-0.3869		2304
S&P500	4429	0.44	EUR	1.0993	-0.0727	Gold Comex	1934.9	0.202		
SSE	3221	0.55	CNY	7.2102	0.2191	Platinum	928.13	-0.3607		
Hg Seng	18660	0.97	AUD	0.6663	-0.1798	Palladium	1251.67	0.8411		
Brent	79	2.06	CAD	1.3253	0.2037					

Source: Bloomberg
Updated: 11/07/2023 17:30

All price data is from 11.07.2023 as of 17:30

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