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THU 13 JULY 2023 00:10

Daily Base Metals Report

US stocks opened on the front foot after inflationary data came out softer than expected, offering hope that the Fed might wrap up its tightening cycle soon. US CPI grew by 3.0% y/y in June, marking March 2021 lows; core inflation has also surprised on the downside, growing by 4.8% y/y, vs the expected 5.0%. This suggests that cooling in overall performance is translating into marginal softness in core prices; while we still struggle to see core inflation reach the Fed's target of 2% this year, a 50bps jump lower from a month before marks the fastest pace of cooling during the entire tightening cycle. While the case for a hike in September has diminished to 4bps, markets reaffirmed their stance for a July 25bps move, suggesting that data is no longer playing a key role in driving sentiment for the upcoming meeting. Yields still weakened across the board, and the dollar breached the robust 100.80 level to trade at March 2022 lows of 100.60.

Base metals, in line with other commodities, benefitted from a sharp dollar correction, with solid gains seen across the board. Tin, in particular, gained 3.8% back to test the recent highs of \$29,000/t; the metal closed above this level at \$29,069/t. Aluminium also saw protracted gains back above \$2,200/t to close at \$2,236/t. Likewise, copper breached resistance of \$8,400/t to close at \$8,499.50/t – the high not seen since early June. Lead and zinc rallied to close at \$2,085.50/t and \$2,425.50/t, respectively.

WTI and Brent strengthened into \$75/bl and \$79/bl. Gold and silver rallied back to \$1,950/oz and \$24.00/oz levels, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2172	2242	2164	2236	2169	24143	701404	-41.00	101.65
Copper	8343	8525	8338	8499.5	8338	20182	261640	-10.50	386.12
Lead	2061	2095	2059	2085.5	2064	5050	118962	5.76	94.64
Nickel	20765	21715	20765	21685	20675	3493	144589	-203.00	982.04
Tin	27800	29200	27800	29069	27945	659	16194	310.00	1316.34
Zinc	2366	2434	2345	2425.5	2372	9364	184863	-14.50	110.11
					Total:	62891	1427652		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2147.5	2186	2386	2504	2123.47	2168.5	2108.0625	2155.5
Copper	8367	8383	8351	8369	8305	8322.5	8319.75	8332.125
Lead	2077	2071	2104.25	2126	2056.75	2052	2079.5625	2066.375
Nickel	20950	21130	21775	22665	20501	20704	20529.375	20747.5
Tin	28500	28105			28316	27956	28506.25	27876.25
Zinc	2360	2375	2442	2452	2340.89	2356	2356.6875	2368

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	531725	0	3625	-3625	528100	255150	272950	Comex, USc/lb		
Copper	57075	900	3525	-2625	54450	13075	41375	JUL 23	377.15 0.12	
Lead	45800	0	125	-125	45675	2325	43350	SEP 23	378.45 0.07	
Nickel	37878	0	252	-252	37626	1860	35766	Shanghai, CNY/mt		
Tin	4255	50	0	50	4305	55	4250	23-Jul	68350 0.19	
Zinc	72925	0	775	-775	72150	11125	61025	23-Aug	68070 0.31	

Global Markets		Currencies		Precious Metals			Previous Day's Fix			
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	16023	1.47	GBP	1.2990	0.4407	Gold	1955.82	1.2209	1936.2	1933.95
DJI	34449	0.55	JPY	138.2200	1.5483	Silver	24.05	4.0221		2313.5
S&P500	4471	0.71	EUR	1.1123	1.0355	Gold Comex	1961.2	1.244		
SSE	3196	-0.78	CNY	7.1652	0.6225	Platinum	952.5	2.5462		
Hg Seng	18861	1.08	AUD	0.6785	1.4807	Palladium	1285.65	2.4316		
Brent	80	1.06	CAD	1.3183	0.3641					

Source: Bloomberg
Updated: 12/07/2023 17:30

All price data is from 12.07.2023 as of 17:30

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