

## Authors

Daria Efanova  
Head of Research

---

WED 19 JULY 2023 00:10

# Daily Base Metals Report

US stocks opened higher despite economic data surprising on the downside, as markets reaffirmed their stance on the July hike being the last one of this hiking cycle. The forward swaps are now pricing in 23bps next week and a peak rate of 5.40% by November. Still, the outlook for the remainder of the year remains uncertain, and July meeting minutes will be key in driving market sentiment into the year-end. Meanwhile, both retail sales and industrial production data came in below market expectations, at 0.2% and -0.5% m/m, respectively. US homebuilder sentiment rose to the highest level in 13 months in July as buyers continue to purchase new construction amid tightening housing supply. The dollar remained below 100, and the 10yr US Treasury yield is now at 3.77%

Another day of moderate declines was seen across the base metals complex today and prices continued to give up last week's gains. China's disappointing data release on Monday has prompted economists to downgrade their GDP forecasts for 2023, citing limited government stimulus response as a major weakness for the economy. The central bank stated that they have enough room to ease monetary policy if needed and hinted at possible adjustments to the RRR for banks and further targeted easing of property controls. Right now, the outlook for the economy is weighing on Chinese assets and, in turn, base metals. Aluminium broke below the \$2,250/t level today, as a lack of strong fundamental strength brought the metal back to the longer-term range to close at \$2,203.50/t. Copper broke below \$8,500/t to close at \$8,473/t. Lead and zinc edged lower to close at \$2,096/t and \$2,395.50/t, respectively.

Oil futures jumped higher after Russian exports slowed; WTI and Brent jumped back to \$75/bl and \$79/bl. Gold and silver continued to gain footing, now trading at \$1,978/oz and \$25.11/oz, respectively.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2255	2262	2201	2203.5	2257	15582	696217	-47.76	99.95
Copper	8482	8516	8412	8473	8495	14836	271559	-28.00	384.79
Lead	2101	2112	2093	2096	2100	3010	117018	-14.75	95.23
Nickel	20915	21215	20750	21084	20880	2145	142437	-240.50	959.36
Tin	28250	28580	28250	28540	28340	245	15693	264.00	1296.38
Zinc	2404	2416	2363	2395	2413	8447	192576	-17.75	108.27
				Total:		44265	1435500		

#### Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2169.5	2216	2369	2489	2209.51	2255	2140.833333	2187.75	
Copper	8410	8445	8513.5	8524	8468	8491	8388.708333	8401.833333	
Lead	2094	2103	2119.25	2141	2088.5	2099.5	2086.666667	2080.25	
Nickel	20600	20850	22133	23048	20810	21054	20666.66667	20896.25	
Tin	28925	28500			28709	28363	28687.5	28146.66667	
Zinc	2348	2368	2422	2430	2392.25	2410	2369.208333	2384.458333	

#### LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	520800	0	3400	-3400	517400	237925	279475	Comex, USc/lb		
Copper	59175	100	75	25	59200	8525	50675	JUL 23	383.2	-2.29
Lead	48425	600	0	600	49025	2150	46875	SEP 23	384.4	-2.26
Nickel	37308	0	384	-384	36924	1476	35448	Shanghai, CNY/mt		
Tin	4510	100	0	100	4610			23-Jul	0	0.00
Zinc	69725	12375	1725	10650	80375	9475	70900	23-Aug	68430	-1.07

#### Global Markets

	% Change			Last	% Change		% Change	AM	PM	
DAX	16125	0.35	GBP	1.3043	-0.2295	Gold	1978.30	1.1897	1955.05	1949.60
DJI	34942	1.03	JPY	138.9100	-0.1440	Silver	25.15	1.2262		2481
S&P500	4547	0.53	EUR	1.1222	-0.1246	Gold Comex	1982.2	1.319		
SSE	3198	-0.37	CNY	7.1810	-0.1044	Platinum	990.09	1.0368		
Hg Seng	19016	-2.05	AUD	0.6815	-0.0147	Palladium	1322.99	2.4145		
Brent	80	1.35	CAD	1.3185	0.1062					

Source: Bloomberg  
Updated: 18/07/2023 17:30

All price data is from 18.07.2023 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](http://www.sucdenfinancial.com/en/risk-warning-and-disclaimers)).