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Daily Base Metals Report

US stocks declined after a round of disappointing corporate earnings results. At the same time, initial jobless claims fell to 228,000 in the week ending July 15th, once again highlighting the resilience of the labour market and adding to the bets of a Fed hike later on in the year. The forward swaps are now pricing in another 10bps on top of the July hike. The dollar continued to gain ground back above 100, and the 10yr US Treasury yield is now back above 3.80%. Elsewhere, the euro-area economy revised its Q1 GDP results at 0.0% from -0.1%, suggesting that the bloc avoided a technical recession after all. Still, data provides little hope for the EU's 2023 outlook, and we continue to see further weakness into the new year. In the meantime, euro area confidence increased by more than expected in July, as energy crisis fears seen earlier this year are subsiding.

Base metals edged higher today but lacked conviction during the day to break above the previous day's resistance levels. Stronger yuan is likely to have supported today's gains after the PBoC set its daily fixing at just under 7.15 and allowed companies to borrow more from overseas, encouraging more foreign capital inflows. This comes in line with news that suggest that Chinese authorities are considering easing home-buying restrictions in the country's biggest cities. Still, gains were only marginal today. Aluminium tested prices above \$2,200/t but struggled to break above this level and settled slightly above \$2,201/t. Likewise, copper tried to breach the \$8,500/t level before softening back into \$8,485.50/t. Tin remained elevated above \$28,000/t, closing at \$28,715/t. Lead and zinc settled higher, at \$2,107/t and \$2,383.50/t, respectively, although lead gains were stronger.

WTI and Brent fluctuated around \$74/bl and \$78/bl. Gold and silver weakened slightly on the stronger dollar, trading at \$1,967/oz and \$24.84/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2192	2222	2191	2201	2186	13210	685225	-44.00	99.59
Copper	8426	8582	8422	8485.5	8433	17400	270076	-23.50	384.79
Lead	2093	2118	2085	2107	2094	3801	114071	-6.50	95.75
Nickel	20915	21610	20915	21280	20900	2585	143976	-246.00	963.89
Tin	28190	29000	28190	28715	28130	574	15199	246.00	1305.23
Zinc	2369	2428	2368	2383.50	2362	7553	189192	-13.75	107.96
					Total:	45123	1417739		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2172	2220	2358	2480	2143	2190.5	2143.142857	2189.964286
Copper	8543	8569	8466.25	8483.25	8401.79	8429	8397.25	8412.5
Lead	2082	2092.5	2126.5	2148.25	2074.5	2085.5	2086	2082.107143
Nickel	21155	21400	21922	22832	20661	20907	20703.92857	20933.21429
Tin	29250	28800			28404	28114	28703.57143	28195.35714
Zinc	2402	2420	2412.5	2420.5	2344.5	2359.5	2370.178571	2385.785714

LME Stocks (tonnes)								Other Copper Markets	
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	514300	1250	2450	-1200	513100	235425	277675	Comex, USc/lb	
Copper	59325	300	825	-525	58800	3825	54975	JUL 23	381.6 -0.42
Lead	50350	50	0	50	50400	2150	48250	SEP 23	382.95 -0.38
Nickel	37560	0	42	-42	37518	1380	36138	Shanghai, CNY/mt	
Tin	4610	100	0	100	4710	20	4690	23-Jul	0 0.00
Zinc	90825	0	75	-75	90750	8850	81900	23-Aug	68470 0.06

Global Markets	Currencies			Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	16204	0.59	GBP	1.2846	-0.7264	Gold	1968.01	-0.4366	1978.15
DJI	35340	0.79	JPY	140.4300	-0.5554	Silver	24.82	-1.2782	1975.35
S&P500	4552	-0.29	EUR	1.1135	-0.5892	Gold Comex	2009.3	-0.510	
SSE	3170	-0.92	CNY	7.1798	0.6045	Platinum	956.15	-2.0328	
Hg Seng	18928	-0.13	AUD	0.6778	0.0886	Palladium	1282.14	-2.0033	
Brent	79	-0.44	CAD	1.3185	-0.1593				

Source: Bloomberg
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All price data is from 20.07.2023 as of 17:30

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