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WED 26 JULY 2023 00:10

Daily Base Metals Report

US stocks' moves were lacklustre today as markets braced for the Fed decision tomorrow, with policymakers expected to deliver 25bps worth of hikes. If the hike materialises, we expect investors to start pricing in the outlook for the year-end decisions, and Fed's subsequent minutes will be key in assessing the pathway for the central bank. We are now entering the peak of the earnings season, and most of the companies that have reported so far have outperformed according to market expectations, creating a solid base for a "soft landing" for the US economy. Indeed, consumer confidence strengthened to a 2-year high of 117 in June on the back of a solid job market and easing inflationary pressures. The dollar remained at 101.40, and the 10yr US Treasury yield held steady.

Solid growth was seen across all base metals today after Chinese leaders pledged more support for the economy at this week's Politburo meeting. This, alongside the last Fed hike, would help solidify longer-term support levels. However, we do not suspect the impact to be long-lasting, and market focus should shift back to the fundamental and macroeconomic picture in the near term, which could bring prices slightly lower from this week's highs. As of today, construction-heavy materials benefitted the most from the news, with copper, in particular, gaining more than \$150/t on the day, breaking above \$8,600/t to close at \$8,673.50/t. Likewise, nickel surged above the \$22,000/t resistance level to June highs of \$22,395/t. Zinc gained ground but struggled to break above the robust support of \$2,500/t, closing at \$2,488/t. Aluminium closed at \$2,240/t. Iron ore remained the primary beneficiary of China's policy news, gaining ground above \$115/mt.

Oil futures held on to three-month highs of \$79/bl and \$83/bl for WTI and Brent, respectively. Precious metals fluctuated but edged higher in anticipation of the last hike of this tightening cycle from the Fed. Gold and silver are now trading at \$1,964/oz and \$24.60/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2206	2247	2204	2240	2208	14896	672081	-43.50	101.49
Copper	8510	8698	8504	8673.5	8526	21399	269944	-35.00	393.40
Lead	2163	2181	2149	2179.5	2165	7214	118514	-6.25	98.66
Nickel	21420	22500	21275	22450	21420	3742	147759	-229.00	1016.74
Tin	28660	28915	28630	28899	28685	410	15412	156.00	1309.08
Zinc	2420	2494	2415	2488	2420	12510	199474	-8.75	112.72
					Total:	60171	1423184		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2184	2226.5	2397.5	2514.5	2165.25	2209	2146.852941	2192.735294	
Copper	8597	8628	8552.25	8574.25	8487.75	8517	8412.382353	8430.588235	
Lead	2157	2159	2195	2215	2172.5	2175	2095.735294	2093.323529	
Nickel	21350	21625	22486	23396	21199	21428	20742.35294	20981.76471	
Tin	28875	28725			28776	28601	28698.52941	28256.47059	
Zinc	2447	2456	2511.25	2516.25	2405	2417	2373.735294	2389.647059	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	512500	6575	2100	4475	516975	232775	284200	Comex, USc/lb		
Copper	60225	1400	850	550	60775	475	60300	JUL 23	380.3 -0.38	
Lead	51625	225	0	225	51850	2350	49500	SEP 23	381.8 -0.43	
Nickel	37758	0	144	-144	37614	1236	36378	Shanghai, CNY/mt		
Tin	4880	150	0	150	5030	25	5005	23-Aug	68370 -0.38	
Zinc	89175	0	550	-550	88625	28675	59950	23-Sep	68210 -0.44	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	16212	0.13	GBP	1.2879	0.3897	Gold	1964.61	0.5054	1964.75 1960.00
DJI	35488	0.22	JPY	140.9200	0.3974	Silver	24.68	1.3792	2459
S&P500	4567	0.27	EUR	1.1053	-0.0994	Gold Comex	2004.9	0.195	
SSE	3232	2.13	CNY	7.1364	0.7146	Platinum	970.55	0.978	
Hg Seng	19434	4.10	AUD	0.6790	0.7568	Palladium	1285.63	0.2151	
Brent	84	1.05	CAD	1.3182	-0.1062				

Source: Bloomberg
Updated: 25/07/2023 17:30

All price data is from 25.07.2023 as of 17:30

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