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Daily Base Metals Report

US stocks braced for the Fed's rate hike decision, with today's softness suggesting that markets might be anticipating further tightening into the year-end. Meanwhile, the Fed raised the interest rates by 25bps, in line with market expectations, leaving the door open for further hikes down the year. Still, that should give markets some breathing room until Q4 2023 to assess the true impact of rate increases that took place earlier this year. Data from recent weeks pointed out that the economy is in a good place to take further pressure from the central bank: unemployment remains historically low, corporate results are outperforming market expectations, and consumers are not yet showing signs of a complete slowdown in spending. Meanwhile, US new homes sales data fell in June for the first time in four months, suggesting the construction market remains more sensitive to rate decisions. The dollar edged lower but remained above 101, and the 10yr US Treasury yield held firm.

Moderate softness was seen across the base metals market today after traders erased most of yesterday's gains. In line with our comment from yesterday, positive news out of China is likely to prop up prices on the day, but until substantial changes are implemented into the economy, and until data points to continued strength, metals are likely to drift lower. Aluminium came back down to the support level of \$2,210/t to close slightly above it at \$2,213/t. Copper softness was more moderate, struggling to break the \$8,600/t level and closing above it at \$8,617.50/t. Lead and nickel saw the biggest declines across the day, given the protracted buying pressure taking place yesterday; both metals closed at \$2,152/t and \$21,590/t, respectively.

Oil futures remained broadly unchanged, while gold and silver edged higher to \$1,973/oz and \$24.92/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2238	2240	2210	2213	2237	13825	675792	-43.50	100.47
Copper	8660	8677	8561	8617.5	8660	12648	273683	-37.00	391.00
Lead	2174	2177	2139	2152	2177	4962	120335	-11.25	97.32
Nickel	22400	22425	21575	21590	22460	3865	149750	-249.00	978.64
Tin	28800	29130	28530	29010	28910	492	15349	145.00	1318.61
Zinc	2490	2496	2453	2473.5	2493	7974	199519	-9.40	112.31
					Total:	43766	1434428		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2170.5	2215	2372	2489	2196.5	2240	2148.166667	2193.972222	
Copper	8534	8576	8705.75	8715.75	8641.25	8673.5	8419.138889	8438.666667	
Lead	2140	2153.5	2168	2186	2173.25	2179.5	2098.194444	2096.666667	
Nickel	21575	21875	23568	24498	22201	22450	20788.61111	21031.38889	
Tin	28800	28735			29055	28899	28704.16667	28283.05556	
Zinc	2455	2466	2499.25	2504.25	2479.5	2488	2378.25	2393.888889	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	516975	525	3475	-2950	514025	229950	284075	Comex, USc/lb		
Copper	60775	0	75	-75	60700	400	60300	JUL 23	380.3 -0.38	
Lead	51850	250	0	250	52100	2350	49750	SEP 23	381.8 -0.43	
Nickel	37614	0	24	-24	37590	1794	35796	Shanghai, CNY/mt		
Tin	5030	20	0	20	5050	25	5025	23-Aug	68370 -0.38	
Zinc	88625	0	675	-675	87950	27650	60300	23-Sep	68210 -0.44	

Global Markets		Currencies		Precious Metals			Previous Day's Fix			
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	16131	-0.49	GBP	1.2935	0.2558	Gold	1973.31	0.4249	1963.1	1958.70
DJI	35466	0.08	JPY	140.3900	0.3633	Silver	24.89	0.8271		2455.5
S&P500	4559	-0.18	EUR	1.1079	0.2171	Gold Comex	2014	0.559		
SSE	3223	-0.26	CNY	7.1479	-0.1623	Platinum	965.45	-0.5798		
Hg Seng	19365	-0.36	AUD	0.6757	-0.5153	Palladium	1263.07	-2.0823		
Brent	83	-0.47	CAD	1.3217	-0.3405					

Source: Bloomberg
Updated: 26/07/2023 17:30

All price data is from 26.07.2023 as of 17:30

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