



Authors

Daria Efanova
Head of Research

FRI 27 JANUARY 2023 00:10

Daily Base Metals Report

US stocks fluctuated amid mixed economic data releases today. GDP growth stabilised in the last quarter of the year, growing by 2.9% at an annualised rate. The consumers again drove most of the incline, but the sector is showing signs of slowing. Personal consumption grew by 2.1% y/y, while above market forecast, is still lower than 2.3% in Q3 2022. Wages are not keeping up with inflationary pressures, and consumers are compelled to draw down their savings; the level as a % of disposable income now equals 2.4%, the summer 2005 lows. The Fed's preferred gauge of inflation, PCE, also saw moderate softness to 3.2% y/y, the slowest pace of growth since 2020. This data highlights the robustness of the US market to take further tightening from the Fed, with a meeting set to take place next week. US initial jobless claims rose to 186k in the week ending January 21st, highlighting labour market tightness. The dollar jumped higher to 102.06, and the 10yr US Treasury yield remained unchanged.

HK stocks reopened today, jumping to an 11-month high on the back of holiday spending and tourism travel data over the holiday period. Some of this sentiment echoed in the base metal market, but the overall appetite remained lacklustre. Tin, once again, saw a jump higher today, breaking above the \$32,000/t level to settle at \$32,262/t, the June high. Copper fluctuated, remaining at high levels of \$9,329.50/t. Lead and zinc both saw a moderate upside, closing higher at \$2,204.50/t and \$3,486.50/t, respectively. Only nickel settled lower today at \$29,427/t. Lead cash to 3-month spread flipped back into backwardation at \$1.00/t. Iron ore futures continue to edge slightly higher but struggling to break the resistance of \$126/mt, settling at that level.

Oil futures remained unchanged at \$81/bl and \$87/bl for WTI and Brent, respectively. Russian exports continue to climb higher despite sanctions introduced by Western counterparts, as India's oil processors are seen buying more Russian material. Gold and silver traded at \$1,925/oz and \$23.94/oz.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2652	2664	2598	2639	2650	11403	554900	-37.25	119.70
Copper	9316	9380	9293	9329.5	9335	9119	251603	-23.75	423.52
Lead	2170	2230	2160	2204.5	2160	4556	113098	1.00	99.56
Nickel	29095	29375	28300	29427	29095	726	133356	-229.00	1332.21
Tin	30765	32400	30510	32262	30875	345	13763	5.00	1464.44
Zinc	3464	3512	3460	3486.5	3468	5536	207675	21.75	158.31
					Total:	31685	1274395		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2598	2642	2788.5	2861.5	2624.25	2658.5	2475.666667	2507.277778	
Copper	9288.5	9320	9238.5	9158.5	9289.5	9314.5	8963.777778	8983.305556	
Lead	2199	2188	2225.25	2215.25	2158.25	2160.5	2213.972222	2192.277778	
Nickel	28750	29075	30787	31637	28953	29182	28058.33333	28299.16667	
Tin	31450	31400			30815	30850	27715.55556	27776.11111	
Zinc	3488	3472	3235.5	2996.5	3467	3450	3261.611111	3243	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	381550	40200	2325	37875	419425	184775	234650	Comex, USc/lb		
Copper	77100	0	1200	-1200	75900	26350	49550	MAR 23	424.45 -0.09	
Lead	20250	0	0	0	20250	3400	16850	MAY 23	425.45 -0.07	
Nickel	50508	0	144	-144	50364	6198	44166	Shanghai, CNY/mt		
Tin	2945	75	0	75	3020	390	2630	23-Feb	0 0.00	
Zinc	18625	0	0	0	18625	8550	10075	23-Mar	0 0.00	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15133	0.34	GBP	1.2363	-0.3225	Gold	1925.36	-1.0662	1925.85
DJI	33728	-0.05	JPY	130.4600	-0.6669	Silver	23.94	0.1045	1930.80
S&P500	4026	0.24	EUR	1.0864	-0.4764	Gold Comex	1942.3	-0.873	
SSE	3265	0.76	CNY	6.7845	-0.1327	Platinum	1022.61	-1.8844	
Hg Seng	22567	2.37	AUD	0.7091	-0.1830	Palladium	1689.86	-0.5345	
Brent	87	1.35	RUB	118.6895	1.4433				

Source: Bloomberg
Updated: 26/01/2023 16:53

All price data is from 26.01.2023 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).