



Authors

Daria Efanova
Head of Research

WED 08 NOVEMBER 2023 00:10

Daily Base Metals Report

Tech rally prompted the US stock market to strengthen once again today, continuing the path of optimism surrounding the belief in the tightening cycle that we have seen in recent days. However, some of the Fed's officials have reaffirmed the stance that the battle with inflation is not over, and we could see rates higher for longer into 2024. Elsewhere, the probability of a cut in the UK has come closer after Chief Economist Pill stated that cuts might be on the table by mid-2024. The probability of a dovish shift is now being priced in March at 16%. The dollar rebounded back to 105.50 after the most recent losses, and the 10-year US Treasury yield held firm.

Meanwhile, base metals gave up some of the recent gains as the complex struggled to have conviction for breaking out of the firm support and resistance levels. We expect this momentum to continue into the year-end. In particular, aluminium struggled above \$2,300/t, returning to \$2,265/t. Copper remained broadly unchanged day-on-day, at \$8,186.50/t. Both lead and zinc continued to gain ground after another day of withdrawals from the LME exchange. The cash to 3-month spreads has remained unchanged in contango, suggesting the market does not see this translating into immediate fundamental tightness. Both metals closed slightly higher at \$2,188.50/t and \$2,568/t, respectively.

Oil futures are now back below \$80/bl and \$83/bl for WTI and Brent, respectively. Gold and silver continued to lose some momentum, down to \$1,965/oz and \$22.50/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2286	2286	2253	2265	2286	16528	648779	-17.35	102.72
Copper	8228	8232	8131	8186.5	8247	17425	264412	-85.00	370.45
Lead	2181	2192	2164	2188.5	2186	7494	133325	3.50	99.20
Nickel	18390	18395	17660	17912	18420	4440	162420	-245.00	811.94
Tin	24445	24930	24320	24559	24745	364	16283	-300.00	1122.65
Zinc	2568	2571	2542	2568	2568	8194	199040	-10.20	116.37
Total:						54445	1424259		

Official Prices	Monthly Avg							
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2241	2264	2380.5	2495.5	2267.01	2287.5	2232.6	2252.9
Copper	8068	8152	8355	8639.75	8157.74	8238	8076.4	8160.6
Lead	2166	2171	2210.25	2237.75	2177.5	2180.5	2138.7	2145.5
Nickel	17585	17870	19398.5	20463.5	18200	18445	17759	18031
Tin	24275	24500			24416	24665	24014	24260
Zinc	2538	2554	2600.76	2621.01	2562.75	2573	2517	2526.6

LME Stocks (tonnes)	Other Copper Markets									
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	466700	0	2600	-2600	464100	260300	203800	Comex, USc/lb		
Copper	180250	1750	3250	-1500	178750	12125	166625	DEC 23	371.9	1.02
Lead	129875	1475	0	1475	131350	1025	130325	MAR 24	375.6	1.02
Nickel	40902	78	888	-810	40092	3120	36972	Shanghai, CNY/mt		
Tin	7430	50	95	-45	7385	555	6830	23-Oct	67690	0.21
Zinc	76725	700	1500	-800	75925	18800	57125	23-Nov	67610	0.24

Global Markets	Currencies				Precious Metals				Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	15153	0.11	GBP	1.2284	-0.4861	Gold	1963.88	-0.7209	1987.1	1984.60
DJI	34148	0.15	JPY	150.5200	-0.2990	Silver	22.51	-2.2617		2321
S&P500	4379	0.30	EUR	1.0682	-0.3359	Gold Comex	1970.3	-0.920		
SSE	3057	-0.04	CNY	7.2806	-0.1428	Platinum	894.78	-1.5936		
Hg Seng	17670	-1.65	AUD	0.6419	-1.0787	Palladium	1068.25	-3.8081		
Brent	82	-3.65	CAD	1.3774	-0.5372					

Source: Bloomberg
Updated: 07/11/2023 17:30

All price data is from 07.11.2023 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. Sudden 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.suddenfinancial.com/en/risk-warning-and-disclaimers).