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Daily Base Metals Report

US stocks rose on Friday, despite disappointing inflation data and the Federal Reserve's speakers trying to downplay a dovish shift. Fed Chair Jerome Powell stated yesterday that the central bank would not hesitate to tighten further if necessary. While this narrative is expected to help keep yields higher, we do not necessarily expect it to lead to another hike in the near term. The risk-on sentiment struggled to abate, even after the University of Michigan pointed to a 5-to-10-year-ahead inflation expectation reaching a 12-year high of 3.2%. The shorter-term expectation also increased to 4.4%, up from 4.2%. The main reason behind the jump is the expectation of higher energy prices in the near term. This is at odds with current petrol prices in the country, which have been declining since September. The dollar and the 10-year US Treasury yield remained broadly unchanged.

Today, the hawkish sentiment has trickled through to the base metals market, suggesting that macro plays are still being acted out across the complex. However, this impact is expected to be short-lived, and prices of aluminium and copper, the more macro-sensitive metals, are expected to continue to follow a mean-reverting strategy. Indeed, aluminium continued to edge lower to the average of \$2,214/t, as copper weakened to \$8,035.50/t. Nickel breached the psychological support of \$18,000/t, causing it to break sharply down to \$17,257/t. Lead and zinc closed lower at \$2,180/t and \$2,562/t, respectively.

Oil futures jumped higher today, as gold and silver continued to soften, given the weakening impact of safe-haven assets.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2237	2244	2210	2215	2238	20538	651207	-11.50	100.47
Copper	8116	8136	8020	8035.5	8118	20638	264204	-80.81	364.49
Lead	2188	2193	2162	2180	2193	6081	139104	3.83	98.88
Nickel	17790	17850	17200	17257	17790	4301	166460	-231.50	782.77
Tin	24755	24775	24500	24603	24800	319	16251	-264.00	1115.98
Zinc	2601	2620	2552	2562	2601	7683	203841	-4.65	116.21
					Total:	59560	1441067		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2205.5	2221	2336	2455	2230.2	2242.5	2231.875	2249.5	
Copper	8006	8086	8276.5	8487.5	8068.11	8147	8063.3125	8146.25	
Lead	2190	2190	2184.25	2202.25	2197.8	2190	2158.25	2161.5625	
Nickel	17170	17450	18189	19239	17583.5	17813	17685	17952.5	
Tin	24275	24600			24605	24839	24191.875	24425	
Zinc	2584	2590	2586	2605.25	2599.2	2602.5	2545.6875	2554.625	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	459100	25150	2500	22650	481750	252800	228950	Comex, USc/lb		
Copper	177225	3225	450	2775	180000	10325	169675	DEC 23	363.8 -1.11	
Lead	133050	850	0	850	133900	1025	132875	MAR 24	367.95 -1.08	
Nickel	40674	2124	264	1860	42534	2352	40182	Shanghai, CNY/mt		
Tin	7500	0	15	-15	7485	630	6855	23-Oct	67420 -0.12	
Zinc	72475	0	2325	-2325	70150	21150	49000	23-Nov	67170 -0.24	

Global Markets		Currencies		Precious Metals		Previous Day's Fix	
Last	% Change	Last	% Change	Last	% Change	AM	PM
DAX	15234 -0.77	GBP	1.2224 0.0082	Gold	1934.85 -1.2101	1946.75	1957.45
DJI	34182 0.85	JPY	151.5900 -0.1583	Silver	22.24 -1.7634		2255
S&P500	4394 1.08	EUR	1.0681 0.1219	Gold Comex	1938.9 -1.569		
SSE	3039 -0.47	CNY	7.2855 -0.0124	Platinum	845.41 -1.986		
Hg Seng	17203 -1.76	AUD	0.6357 -0.1571	Palladium	972.99 -2.1019		
Brent	82 2.01	CAD	1.3807 0.0072				

Source: Bloomberg
Updated: 10/11/2023 17:30

All price data is from 10.11.2023 as of 17:30

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