

## Authors

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WED 22 NOVEMBER 2023 10:00

# Daily Base Metals Report

US stocks weakened after the recent upside lost some steam. We expect that as markets approach the Thanksgiving holidays, the momentum is likely to continue to moderate; this timing will coincide with the end of the earnings season, removing some of the impetus from the market. Investors are also awaiting the minutes from the FOMC today; however, we expect it to have little bearing on the market; the rhetoric of higher-for-longer is likely to remain intact, but the case for further hikes has now been completely phased out. In other news, despite the fact that mortgage rates for a 30-year fixed loan have been falling for the last couple of weeks, sales of previously owned US homes continued to decline, falling by the most in nearly a year in October, highlighting that high interest rate pain is still to filter through to the market. The dollar remained at the lower end of the range at 103.50; we expect the greenback to find support at 103.10 before seeing a potential trend reversal. The 10-year US Treasury yield is edging lower to 4.40%.

Base metals have moderated slightly today following yesterday's gains. Copper paused above the \$8,400/t but struggled to break above the psychological \$8,500/t resistance. Aluminium, on the other hand, is playing catch up, gaining above \$2,250/t for the first time since early November, closing at \$2,258.50/t. Lead is also seen erasing some of the previous rallies; however, the appetite for lower prices is not enough to drive the metal significantly lower, causing lead to settle at \$2,271/t. Tin and zinc remained broadly unchanged, closing at \$24,991/t and \$2,546/t, respectively.

Oil futures fluctuated as precious metals saw another day of strong upside pressures, pushing gold and silver back to \$2,000/oz and \$23.85/oz, respectively. We believe it is the combination of the monetary policy path from major central banks, along with the weakening dollar, that is supporting gold's performance. While the US economy has so far proved to be resilient, the expectations of the end of the tightening cycle have been priced in, pushing longer-term yields lower. This has created a more favourable environment for gold as a non-yielding asset. We expect these tailwinds to build up, supporting gold momentum into the year-end.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2245	2264	2234	2258.5	2244	18724	635546	-34.25	102.33
Copper	8444	8486	8409	8449	8448	21656	264299	-97.00	383.06
Lead	2275	2288	2248	2271	2275	7125	144321	-2.99	102.92
Nickel	17070	17160	16740	16992	16905	3016	167281	-231.00	768.62
Tin	24970	25070	24810	24991	24855	241	15653	-262.00	1133.58
Zinc	2580	2590	2526	2546	2573	8240	205410	-3.00	115.40
<b>Total:</b>						<b>59002</b>	<b>1432510</b>		

#### Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2201.5	2240	2356	2472	2208.49	2245.5	2214.366667	2237.566667	
Copper	8324	8422	8640.5	8820.5	8340.25	8430.5	8109.9	8198.766667	
Lead	2265.5	2268	2265.5	2271.75	2272.5	2275	2195.2	2196.8	
Nickel	16560	16825	17798	18745	16721	16952	17305	17568.33333	
Tin	24750	24950			24644.96	24878	24499	24737	
Zinc	2537.5	2543	2569	2588.25	2559.5	2563.5	2555.466667	2562.933333	

#### LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	479775	650	3550	-2900	476875	263350	213525	Comex, USc/lb		
Copper	179975	0	950	-950	179025	14625	164400	DEC 23	381.4	2.02
Lead	135925	0	0	0	135925	59400	76525	MAR 24	384.1	1.88
Nickel	44358	0	216	-216	44142	1866	42276	Shanghai, CNY/mt		
Tin	7840	0	15	-15	7825	880	6945	23-Nov	68260	0.53
Zinc	133525	9750	525	9225	142750	22075	120675	23-Dec	68060	0.64

#### Global Markets

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	15908	0.04	GBP	1.2533	0.2239	Gold	2000.48	1.1329	1976.05	1968.70
DJI	35051	-0.29	JPY	147.8900	0.3381	Silver	23.85	1.7309		2338.5
S&P500	4531	-0.37	EUR	1.0928	-0.1097	Gold Comex	2022.8	1.120		
SSE	3068	-0.01	CNY	7.1405	0.3697	Platinum	940.14	1.8129		
Hg Seng	17734	-0.25	AUD	0.6565	0.1220	Palladium	1085.04	0.2374		
Brent	82	-0.49	CAD	1.3691	0.2483					

Source: Bloomberg  
Updated: 21/11/2023 17:30

All price data is from 21.11.2023 as of 17:30

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