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Daily Base Metals Report

US stocks wavered today as investors struggled to push the recent rally further. Poor sentiment from Asian markets weighed on overall performance after industrial profits slowed, reinforcing the belief that the Chinese economy might be in a deflationary environment. US new house sales fell by 5.6% in October after a downward revision to the prior month; despite softening recently, historically elevated mortgage rates continue to weigh on prospective buyers, dampening housing demand. The dollar struggled to break the 103.20 support once again, and the 10-year US Treasury yield remained below 4.50%. Meanwhile, Euro area inflation figures are likely to see a broad base deceleration in November, further reaffirming the pause in the December meeting. December data is likely to edge slightly higher given the low base of growth last year from German energy subsidies.

Weakness out of China weighed on base metals' performance today, although the losses were marginal. The biggest downside was seen in tin, which lost as much as \$1,000/t today, following the increased volatility in the cash to 3-month spread that has been flipping between contango and backwardation since last week. The metal closed at March lows at \$22,979/t. Meanwhile, lead and zinc continued to erase previous gains, with the former retracing 100% of gains made since mid-November; both metals closed at \$2,162/t and \$2,539/t, respectively. Nickel continued to break lower, closing at \$19,079/t; there are some dip buyers emerging; however, until there is a strong market move out of the current trend, we expect prices to continue their decline.

Oil futures fluctuated as Saudi Arabia's request to cut oil supply was met with some resistance from other OPEC+ members. Gold jumped above the May high of \$2,000/oz today on the back of a continued shift where markets are pricing at the end of the tightening cycle. We expect further upside from gold in the near term.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2222	2235	2209	2210.5	2225	14395	653888	-45.00	100.34
Copper	8422	8443	8354	8364	8440	12891	265956	-105.00	379.73
Lead	2195	2203	2161	2162	2195	5431	147987	-23.50	98.14
Nickel	16130	16240	15840	16079	16125	5224	175297	-245.00	729.16
Tin	24150	24400	22900	22979	24130	840	16390	-287.00	1041.69
Zinc	2556	2574	2521	2539	2560	6520	203217	-6.75	114.51
					Total:	45301	1462735		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2177	2221.5	2332.95	2451.95	2175.6	2216	2207.842105	2234.763158	
Copper	8281	8389	8656.25	8840.25	8329.75	8428.5	8149.105263	8241.078947	
Lead	2154.5	2174	2167.75	2187.75	2181.3	2196.5	2195.447368	2199.526316	
Nickel	15885	16060	16920	18050	15907	16138	17058.15789	17317.63158	
Tin	23550	23775			23604	23884	24413.68421	24653.42105	
Zinc	2548.5	2551	2566.75	2586	2552	2553.5	2549.842105	2556.631579	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	473875	0	2000	-2000	471875	270350	201525	Comex, USc/lb		
Copper	178525	0	725	-725	177800	16575	161225	DEC 23	378.9 0.69	
Lead	137225	750	0	750	137975	59350	78625	MAR 24	383.25 0.63	
Nickel	44898	0	24	-24	44874	2256	42618	Shanghai, CNY/mt		
Tin	7765	50	5	45	7810	865	6945	23-Nov	68230 0.07	
Zinc	211300	0	475	-475	210825	22375	188450	23-Dec	68010 0.04	

Global Markets		Currencies		Precious Metals		Previous Day's Fix	
Last	% Change	Last	% Change	Last	% Change	AM	PM
DAX	15966 -0.39	GBP	1.2609 0.0476	Gold	2010.31 0.4743	1995.2	2000.85
DJI	35313 -0.22	JPY	148.8900 0.3694	Silver	24.68 1.4427		2370.5
S&P500	4556 -0.08	EUR	1.0937 -0.0183	Gold Comex	2031.4 0.390		
SSE	3032 -0.30	CNY	7.1530 -0.0559	Platinum	918.72 -1.7149		
Hg Seng	17525 -0.20	AUD	0.6595 0.1519	Palladium	1055.69 -1.6132		
Brent	80 -0.30	CAD	1.3635 0.0073				

Source: Bloomberg
Updated: 27/11/2023 17:30

All price data is from 27.11.2023 as of 17:30

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