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Daily Base Metals Report

US stocks strengthened today. CPI data from the world's largest economy came out mostly in line with expectations, pointing to inflation stickiness, with the core reading in November unchanged from the previous month at 4% YoY. Elevated price pressures will likely prompt the Fed to reiterate in their statement tomorrow that interest rates need to stay higher for longer. While markets do not expect any changes to the interest rates this week, investors price in interest rate cuts as early as March 2024. The policymakers' narrative tomorrow will paint a better picture of the timing of the first interest rate cuts next year. The dollar remained mostly flat, hovering below 104 level while the 10-year US Treasury yield stood at 4.26%.

Panama's Supreme Court ruled that First Quantum's contract to operate the mine was unconstitutional, ordering it to end its operations in Panama (extraction, processing, refining, transportation, export, and sales activities). This decision could result in a loss of more than 500kt of copper. Moreover, with the continued increase in Chinese refined output, highlighted by a 1.4% y/y increase in concentrate imports to 2.44mt in November, further pressures should be felt on concentrate demand. We expect TCs to drop lower as a result. That decline is set to be more pronounced for Chinese TCs, given the growth of low-cost smelters' capacity is above concentrate growth. Still, copper continued to follow the dollar moves, keeping above \$8,300/t at \$8,355/t. Aluminium held its supporter at \$2,117/t, closing at \$2,121/t. Lead and zinc remained broadly unchanged at \$2,037.50/t and \$2,430.50/t, respectively.

Gold price remained largely unchanged at \$1,981/oz, while silver continued on the downside and stood at \$22.71/oz. News about increased Russian oil shipments today led the oil price to plunge, with WTI and Brent decreasing to \$68.85/bl and 73.48/bl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2121	2143	2116	2121	2124	18474	682609	-45.75	96.21
Copper	8347	8395	8305	8355	8343	18344	286783	-95.25	378.98
Lead	2057	2085	2033	2037.5	2054	8245	143172	-35.50	92.42
Nickel	16560	16700	16385	16520	16535	3245	185186	-223.00	749.34
Tin	24415	25000	24415	24580	24270	688	16924	-219.00	1114.94
Zinc	2413	2459	2412	2430.5	2417	8640	203778	-5.50	110.25
Total:						57636	1518452		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2090.5	2136.5	2242.5	2367	2070	2117	2114.75	2155.875	
Copper	8272	8362	8504	8604	8249.1	8341	8318.1875	8401.0625	
Lead	2044	2077	2061.75	2086.75	2016	2057	2031.75	2065.1875	
Nickel	16265	16500	17310	18260	16389.5	16607	16311.25	16563.75	
Tin	24560	24825			24135	24359	24105.625	24331.25	
Zinc	2437	2444	2465.5	2492.5	2396.25	2407	2427.6875	2436.4375	

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	452375	1300	3450	-2150	450225	241500	208725	Comex, USc/lb		
Copper	182200	25	2050	-2025	180175	45925	134250	DEC 23	378 -1.05	
Lead	130850	525	2475	-1950	128900	40625	88275	MAR 24	378.05 -1.31	
Nickel	48138	504	54	450	48588	5124	43464	Shanghai, CNY/mt		
Tin	8080	0	115	-115	7965	1080	6885	23-Dec	68390 -0.44	
Zinc	215000	250	3000	-2750	212250	52200	160050	24-Jan	68010 -0.60	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	16792	-0.02	GBP	1.2570	0.1195	Gold	1979.95	-0.1009	1991.95 1986.65
DJI	36569	0.45	JPY	145.5000	0.4536	Silver	22.76	-0.2629	2292
S&P500	4640	0.37	EUR	1.0795	0.2787	Gold Comex	1995.3	0.080	
SSE	3003	0.40	CNY	7.1772	-0.0432	Platinum	932.29	2.0614	
Hg Seng	16375	1.07	AUD	0.6560	-0.1218	Palladium	982.24	1.8752	
Brent	73	-3.50	CAD	1.3590	-0.1177				

Source: Bloomberg
Updated: 12/12/2023 17:30

All price data is from 12.12.2023 as of 17:30

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