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Daily Base Metals Report

US stocks strengthened today as the markets awaited the Fed's decision regarding the path of monetary policy. The policymakers left the fed funds rate unchanged at 5.25-5.50%, reiterating the importance of bringing inflation down to the target of 2.0%. However, the sentiment turned more dovish for next year, with three-quarter cuts being priced in the dot plot. That is likely to bring a more bullish sentiment for risky assets today. Economic data released during the day pointed to a softening in price pressures, with the PPI slowing from 1.3% YoY in October to 0.9% YoY in November. Signs of inflation slowing down raised expectations of interest rate cuts in 2024, leading the 10-year US Treasury yield to edge lower at 4.16%. The dollar remained mostly flat and stood at 103.8.

Lacklustre moves were seen across the base metals complex ahead of the move by the Federal Reserve, as markets pencil in expectations for the scale and timing of cuts for next year. Copper held steady above \$8,300/t, and as a result, it closed at \$8,330/t. Aluminium reaffirmed its support at \$2,115/t as it edged back close to \$2,140/t. Lead and zinc settled at \$2,034/t and \$2,426.50/t, respectively. Meanwhile, iron ore prices continue to remain elevated, above \$130/mt. Further concentrate demand due to high blast furnace operating rates has depleted the inventories, supporting price momentum into the year-end. This should help expand mine profit margins and boost the shipment of materials.

Gold hovered around the \$1,980/oz level, while silver fell and stood at \$22.52/oz. Both WTI and Brent appreciated to \$69.1/bl and \$73.8/bl, respectively.

| | Open | High | Low | 5pm Close | PDC | Volume | Total O.I | Spreads | Conversion |
|---------------|-------|-------|-------|-----------|-------|--------------|----------------|---------|------------|
| | | | | | | | | C-3M | USc/lb |
| Aluminium | 2123 | 2147 | 2109 | 2140 | 2124 | 17592 | 688617 | -38.90 | 97.07 |
| Copper | 8346 | 8358 | 8267 | 8330 | 8342 | 16156 | 285899 | -92.60 | 377.85 |
| Lead | 2040 | 2050 | 2030 | 2034 | 2036 | 3945 | 144075 | -35.00 | 92.26 |
| Nickel | 16485 | 16575 | 16280 | 16468 | 16475 | 2796 | 183917 | -225.00 | 746.98 |
| Tin | 24575 | 24820 | 24495 | 24690 | 24555 | 264 | 17138 | -201.00 | 1119.93 |
| Zinc | 2428 | 2441 | 2403 | 2426.5 | 2428 | 6100 | 202199 | -3.25 | 110.07 |
| Total: | | | | | | 46853 | 1521845 | | |

| Official Prices | | | | | | | Monthly Avg | | |
|-----------------|--------|-------|----------|----------|---------|--------|-------------|-------------|--|
| | Cash | 3m | Dec Yr 1 | Dec Yr 2 | PD Cash | PD 3M | Cash | 3M | |
| Aluminium | 2083 | 2124 | 2260.75 | 2383.75 | 2075.25 | 2121 | 2111.222222 | 2152.333333 | |
| Copper | 8205 | 8302 | 8460.26 | 8532.26 | 8259.75 | 8355 | 8305.611111 | 8390.055556 | |
| Lead | 2011.5 | 2043 | 2056 | 2084.25 | 2002 | 2037.5 | 2029.5 | 2062.722222 | |
| Nickel | 16100 | 16330 | 17257 | 18197 | 16297 | 16520 | 16287.77778 | 16537.77778 | |
| Tin | 24555 | 24800 | | | 24361 | 24580 | 24155.55556 | 24383.33333 | |
| Zinc | 2417 | 2426 | 2461 | 2488 | 2425 | 2430.5 | 2426.5 | 2435.277778 | |

| LME Stocks (tonnes) | | | | | | | Other Copper Markets | | | |
|---------------------|---------|------|------|------------|---------|------------|----------------------|------------------|--------------|--|
| | Opening | In | Out | Net Change | Closing | C-warrants | Open Tonnage | Last | % Change | |
| Aluminium | 450225 | 1300 | 2000 | -700 | 449525 | 239500 | 210025 | Comex, USc/lb | | |
| Copper | 180175 | 950 | 1575 | -625 | 179550 | 44350 | 135200 | DEC 23 | 378 -1.05 | |
| Lead | 128900 | 900 | 1300 | -400 | 128500 | 50150 | 78350 | MAR 24 | 378.05 -1.31 | |
| Nickel | 48588 | 0 | 48 | -48 | 48540 | 6132 | 42408 | Shanghai, CNY/mt | | |
| Tin | 7965 | 0 | 40 | -40 | 7925 | 1380 | 6545 | 23-Dec | 68390 -0.44 | |
| Zinc | 212250 | 0 | 1175 | -1175 | 211075 | 51525 | 159550 | 24-Jan | 68010 -0.60 | |

| Global Markets | | Currencies | | Precious Metals | | Previous Day's Fix | |
|----------------|-------------|------------|-----------------|-----------------|----------------|--------------------|---------|
| Last | % Change | Last | % Change | Last | % Change | AM | PM |
| DAX | 16766 -0.15 | GBP | 1.2620 0.4537 | Gold | 2013.39 1.71 | 1986.9 | 1980.85 |
| DJI | 37037 1.25 | JPY | 143.2000 1.5712 | Silver | 23.53 3.3116 | | 2295.5 |
| S&P500 | 4697 1.16 | EUR | 1.0885 0.8431 | Gold Comex | 2028.7 1.781 | | |
| SSE | 2969 -1.15 | CNY | 7.1708 0.0893 | Platinum | 936.03 0.3172 | | |
| Hg Seng | 16229 -0.89 | AUD | 0.6665 1.6161 | Palladium | 1002.89 2.1148 | | |
| Brent | 74 1.47 | CAD | 1.3501 0.6666 | | | | |

Source: Bloomberg
Updated: 13/12/2023 17:30

All price data is from 13.12.2023 as of 17:30

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