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THU 14 DECEMBER 2023 00:10

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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