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Daily Base Metals Report

US stocks weakened, given the heightened risk-off sentiment today. Bonds jumped higher, and the dollar benefitted as a result. The weaker European macroeconomic picture heightened the anxiety about the potential prospects of a continuing tightening cycle from major central banks, bringing into question the possibility of a soft landing. Germany's PMI pointed to a larger-than-expected contraction in June, with sustained manufacturing weakness and a slowdown in services driving the narrative; a similar story is seen from French figures. This prompted the euro to decline to 1.089. Elsewhere, UK retail sales posted an expansion month-on-month in June, causing the markets to fully price in a terminal policy rate of 6.25% in February.

A bound of volatility took over the metals' prices today, causing some robust support levels to be taken out. In particular, aluminium breached the longer-term support level of \$2,200/t, testing the October 2022 lows of \$2,163.50/t. Likewise, copper weakened sharply below \$8,500/t to close at \$8,290.50/t at the time of writing. This is despite the recent announcement that Codelco has halted some copper mining operations in Chile due to heavy rains in the region. Zinc saw protracted losses, closing lower at \$2,364.50/t, while nickel remained broadly unchanged at \$21,311/t. Lead settled at \$2,123/t. The losses, however, failed to prevent further tightening in the spreads, with aluminium and copper cash to 3-month increasing further into -\$37.50/t and \$18.00/t, respectively.

Oil futures opened lower on the day, and WTI and Brent remained low at \$68/bl and \$73/bl. Gold and silver benefitted from the surge to safe havens, however, still struggled to offset earlier losses, trading pretty much unchanged on the day at \$1,922/oz and \$22.38/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2209	2209	2164	2174.5	2204	18882	631076	-37.50	98.61
Copper	8578	8582	8367	8290.5	8579	18077	262206	30.00	380.57
Lead	2159	2160	2116	2123	2160	6075	127102	53.25	96.53
Nickel	21135	21345	20895	21311	21135	1921	138098	-164.50	966.16
Tin	26920	27140	26435	26476	27065	286	16187	1558.00	1208.61
Zinc	2428	2428	2356	2364.5	2428	6510	180974	-13.25	107.30
Total:						51751	1355643		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2132.5	2175	2358.5	2465.5	2160.25	2201	2198.382353	2237.205882	
Copper	8490	8478	8564.25	8450	8579.25	8574	8414.676471	8423.352941	
Lead	2190	2137.5	2133.75	2157.25	2231	2163.5	2114.029412	2082.470588	
Nickel	20895	21050	22252	23142	21017.5	21182	21507.35294	21654.70588	
Tin	28195	26575			28574	27079	27254.70588	26380.88235	
Zinc	2362.5	2379	2385.25	2392.25	2445	2456	2374.588235	2382.794118	

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	546375	0	5400	-5400	540975	250800	290175	Comex, USc/lb		
Copper	80400	0	1100	-1100	79300	49175	30125	JUL 23	389	-0.6
Lead	39775	0	0	0	39775	2725	37050	SEP 23	390.05	-0.26
Nickel	39084	0	216	-216	38868	2670	36198	Shanghai, CNY/mt		
Tin	2565	165	0	165	2730	50	2680	23-Jul	0	0.00
Zinc	78825	0	50	-50	78775	7350	71425	23-Aug	0	0.00

Global Markets

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	15830	-0.99	GBP	1.2704	-0.3452	Gold	1921.64	0.3986	1927.95	1920.05
DJI	33769	-0.52	JPY	143.7500	-0.4452	Silver	22.36	0.5134		2262
S&P500	4351	-0.70	EUR	1.0889	-0.6115	Gold Comex	1931.8	0.421		
SSE	3198	-1.31	CNY	7.1794	0.0209	Platinum	924.84	-0.0476		
Hg Seng	18890	-1.71	AUD	0.6685	-1.0509	Palladium	1288.05	0.0754		
Brent	74	-0.86	CAD	1.3201	-0.3788					

Source: Bloomberg
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All price data is from 23.06.2023 as of 17:30

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