

Authors

James Roberts
Deputy Head of IC (Clients)

TUE 03 MARCH 2020 17:30

Daily Base Metals Report

Subdued morning as markets focused on the G7 announcement which was in turn rather uninspiring, with the theme being a wait and see approach - but very much ready to use fiscal tools where necessary. That being said RBA had already delivered a rate cut and China may well preside over one tonight. The proverbial cat was however put amongst the pigeons when the Fed cut base rates by 50bp – which was in line with market expectations. So, although greeted with a systematic bounce, markets were soon generally lower as the markets seemingly expected more shock and ore than simply just satisfying expectations (Trump was again on his soapbox saying Fed will cut more).

OPEC also announced a 500k-1mbpd output reduction – also met with little excitement.

On base, we are all into option declaration for tomorrow thereafter these markets may be open to broader moves. Zn spreads continue to deteriorate ahead of expected index rolls.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	1717	1734	1713	1722	1717	21231	735674	-14.00	78.18
Copper	5742	5781	5623	5666.5	5723	25177	311646	-19.75	257.46
Lead	1857	1867	1823	1841.5	1853	3588	117945	51.75	83.39
Nickel	12735	12925	12500	12560	12680	8817	262717	-64.00	575.16
Tin	16695	16980	16615	16750	16590	767	19210	-8.50	760.23
Zinc	2031	2045	1974	1975.5	2026	12741	236737	-19.75	90.13
Total:						72321	1683929		

Official Prices	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	1706	1722	1843	1930	1701.25	1717	1695.25	1711	#N/A
Copper	5668	5689	5770.5	5825.5	5680.75	5700	5654	1856.5	Requesting Data...
Lead	1900	1848	1882	1898	1888.25	1847	1902.5	12580	16582.5
Nickel	12555	12650	13095	13365	12632	12700	12497.5	2012.5	#N/A Requesting Data...
Tin	16750	16760			16625	16625	16587.5		
Zinc	1986	2002	2062	2097	2009.5	2023			

LME Stocks (tonnes)	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	1071875	0	10500	-10500	1061375	269525	791850	Comex, USc/lb		
Copper	216950	450	6175	-5725	211225	55000	156225	MAR 20	257.3	-1.08
Lead	68100	475	0	475	68575	11975	56600	MAY 20	256.9	-1.00
Nickel	235368	0	114	-114	235254	84474	150780	Shanghai, CNY/mt		
Tin	7460	0	0	0	7460	1165	6295	00-Jan	0	0.00
Zinc	75200	0	175	-175	75025	3525	71500	00-Jan	0	0.00

Global Markets	Currencies				Precious Metals			Previous Day's Fix		
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	11985	1.08	GBP	1.2816	0.4861	Gold	1648.65	3.7252	1609.7	1599.65
DJI	26285	-1.57	JPY	107.2200	1.0353	Silver	17.27	3.182		1691.50012
S&P500	3059	-1.01	EUR	1.1160	0.2335	Gold Comex	1645	3.148		
SSE	2993	0.74	CNY	6.9676	-0.0962	Platinum	870.9	0.8558		
Hg Seng	26285	-0.03	AUD	0.6607	1.0708	Palladium	2496.02	-1.8204		
Brent	52	0.91	RUB	65.8495	0.8752					

Source: Bloomberg
Updated: 03/03/2020 17:36

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).