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Daily Base Metals Report

The session started on the back foot as risk asset retreated over rising deaths and cases of Covid-19. As the day progressed, equities caught a bid with the DOW and S&P 500 up more than 4% and 4.87% respectively. This was aided by Congress passing the stimulus to improve market sentiment; however, if the government continues to target the economy returning before Easter, we expect long term damage. However, the jobless claims number of 3.2m was a prime example of the economic risk, and we do not have faith in a sustained rally. The dollar index retreated following the U.S. data release.

On the LME copper prices sold off, demand fears continued to impact investor sentiment even though Codelco are reducing production and current prices are below the cost of production for approximately 15% of global supply. The other metals presented a mixed outlook with zinc and lead moving higher to close at \$1,860/t and \$1,685/t respectively. Cash to 3-month spreads tightened into \$-11.75/t and \$-10.25/t respectively. Nickel prices closed at \$11,211/t, down \$78 on the day. Gold caught a bid this afternoon and trades at \$1,630/oz at the time of writing.

Oil has sold off sharply this afternoon, WTI took the bigger hit falling 7.23% at the time of writing; Brent is down 7.2%.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads		Conversion
								C-3M	USc/lb	
Aluminium	1550	1550	1528	1536	1548	13180	744059	-31.50	69.99	
Copper	4855	4855	4767	4804	4873	10102	278849	-15.00	218.11	
Lead	1650	1698	1636	1685	1649	3578	116825	-10.25	76.95	
Nickel	11300	11325	11110	11211	11335	7386	228868	-60.00	508.26	
Tin	14115	14560	13850	14268	14235	338	17672	50.00	643.20	
Zinc	1845	1886	1819	1860	1849	6159	225939	-11.75	84.44	
					Total:	40743	1612212			

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	1507.5	1539.5	1653.25	1740	1112575	165275	1629.210526	1650.815789
Copper	4775.5	4789.5	4959.25	5024.25	224375	47850	5241.947368	5255.973684
Lead	1659	1667.5	1704	1721.5	71125	15425	1751.894737	1745.631579
Nickel	11221	11288	11685	11957	229518	56274	11971.89474	12039.36842
Tin	14135	14090			6175	1320	15474.21053	15464.21053
Zinc	1831.5	1848	1902	1937	74075	15525	1914.236842	1930.315789

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	1098425	17625	3475	14150	1112575	165275	947300	Comex, USc/lb	
Copper	225175	200	1000	-800	224375	47850	176525	MAR 20	221.7 -0.76
Lead	71150	0	25	-25	71125	15425	55700	MAY 20	217.55 -1.29
Nickel	229638	0	120	-120	229518	56274	173244	Shanghai, CNY/mt	
Tin	6175	0	0	0	6175	1320	4855	00-Jan	0 0.00
Zinc	74725	0	650	-650	74075	15525	58550	00-Jan	0 0.00

Global Markets		Currencies		Precious Metals			Previous Day's Fix			
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	10001	1.28	GBP	1.2156	2.3405	Gold	1637.56	1.2778	1620.95	1605.45
DJI	22335	5.35	JPY	109.4600	1.5988	Silver	14.47	-0.0228		1396.5
S&P500	2593	4.76	EUR	1.1036	1.4152	Gold Comex	1659.3	1.530		
SSE	2765	-0.60	CNY	7.0747	0.5668	Platinum	737.64	-0.609		
Hg Seng	23352	-0.74	AUD	0.6061	1.7117	Palladium	2358.26	0.2487		
Brent	27	-2.34	RUB	77.3602	1.0940					

Source: Bloomberg
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