

## Authors

Geordie Wilkes  
Head of Research

MON 27 JULY 2020 17:40

# Daily Base Metals Report

US stocks started the week on the front foot on the back of the reinforced central bank dovish stance. While the number of infections in the country's hot spots starts to tail off, investors expect prolonged dovish stance from the Fed, as high-frequency economic indicators point to a slowdown. US orders for durable goods rose above expectation, and Dallas Fed manufacturing activity continued to decline; however, at a lower rate m/m. The dollar was down, and the yield on 10yr Treasuries fell to 0.5806%. Nations in Asia introduced another round of tightening restrictions in the country as infections show no sign of a slowdown.

Prices on the LME were supported today as risk appetite prompted the market. Zinc prices traded up to \$2,240/t, but resistance at this level triggered a close at \$2,237/t. Zinc cash to 3s tightened today into -\$8.50/t. Aluminium prices also strengthened today; prices closed near the day's high at \$1,708/t. Lead gained the most, up 2.09%, closing at \$1,850.50/t. Nickel was supported again today but found resistance at \$13,870/t prompting a close at \$13,719/t. Copper was range-bound, closing higher on the day at \$6,420.50/t.

Oil futures slid with US-China tensions compounding, urging WTI and Brent down to \$40.78/bl and \$42.64/bl. Precious metals continued their rally, with gold and silver trading at \$1,939.22/oz and \$24.25/oz respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	1697	1710	1697	1708	1697	7765	798419	-38.00	77.50
Copper	6411	6471	6390	6420.5	6400	10979	316620	6.00	292.07
Lead	1811	1857	1811	1850.5	1811	4563	106776	-12.91	84.19
Nickel	13650	13865	13650	13719	13635	6310	196721	-49.50	623.70
Tin	17670	18035	17620	18035	17620	483	16231	31.75	817.16
Zinc	2214	2239	2206	2237	2212	5496	203159	-8.50	101.36
				<b>Total:</b>		<b>35596</b>	<b>1637926</b>		

### Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash	3M
Aluminium	1661.5	1700.5	1792.75	1857.5	1663.25	1700	1630.526316	1663.210526
Copper	6425.5	6420	6412.25	6422.25	6430.25	6415	6335.894737	6331
Lead	1801	1813	1853.5	1886.5	1799	1818	1805.947368	1821.684211
Nickel	13718	13773	14014	14229	13612.75	13656	13270.89474	13317.47368
Tin	17900	17817			17689.5	17657	17338.05263	17254.15789
Zinc	2210.5	2220	2261.5	2288.5	2213.5	2218	2140.289474	2151.210526

### LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets Last	% Change
Aluminium	1649275	23950	4725	19225	1668500	280475	1388025	Comex, USc/lb	
Copper	141725	1425	5125	-3700	138025	89425	48600	JUL 20	288.45 0.09
Lead	107600	10125	25	10100	117700	15525	102175	AUG 20	289.35 0.29
Nickel	234636	312	0	312	234948	56454	178494	Shanghai, CNY/mt	
Tin	3950	10	85	-75	3875	240	3635	00-Jan	0 0.00
Zinc	154500	4950	625	4325	158825	19200	139625	00-Jan	0 0.00

### Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	12839	0.00	GBP	1.2881	0.6800	Gold	1938.65	1.9258	1893.85 1902.10
DJI	26562	0.35	JPY	105.2500	0.8456	Silver	24.31	6.7635	2247.5
S&P500	3229	0.41	EUR	1.1757	0.8665	Gold Comex	1956.6	1.631	
SSE	3205	0.26	CNY	6.9964	0.3144	Platinum	941.18	2.4246	
Hg Seng	24603	-0.41	AUD	0.7141	0.5067	Palladium	2312.25	3.8262	
Brent	43	-1.25	RUB	71.7430	-0.0109				

Source: Bloomberg  
Updated: 27/07/2020 17:28

---

### **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](http://www.sucdenfinancial.com/en/risk-warning-and-disclaimers)).