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Daily Base Metals Report

US stocks pulled back yesterday over concerns of being overvalued. Meanwhile, the Democrats begin the final push towards Biden's \$1.9tr stimulus bill this week before the jobless benefits expire. The dollar softened into 90.056. The 10yr US Treasury yield was little changed, while the 5-30yr yield gap touched the highest level in more than 5 years. Meanwhile, Boris Johnson laid out the plan out of the pandemic, with completely all restrictions being lifted by June. This comes at a time when COVID-19 vaccines in the UK show positive signs of containing the spread of the virus, by reducing the risk of infections by more than 70% after the first dose alone.

LME base metals rallied as investors priced in stronger growth and inflation as the number of vaccinations continues to rise. Only nickel and lead closed lower on the day at \$19,493/t and \$2,152/t respectively. Copper breached \$9,000/t for the first time in 9 years, as expectations of tight supply relative to future demand continue to drive prices higher; the metal closed at \$9,097/t; the cash to 3-month spread widened out back to \$35.50/t, from rising sharply before to \$49.50/t. Aluminium prices were well supported in the second half of the day and tested resistance at \$2,177/t and closed just off the highs at \$2,166.50/t; the cash to 3-month spread tightened to -\$12.25/t. Tin was well bid, testing the resistance level of \$27,000/t, before closing below at \$26,615/t. Zinc prices remained supported above \$2,860/t before closing at \$2,899/t.

Oil futures surged as weaker dollar supported the prices. At the time of writing, WTI and Brent trade at \$62.52/bl and \$66.19/bl. Precious metals were all seen higher, with gold and silver edging up to \$1,811.71/oz and \$27.97/oz.

*All price data is from 22.02.2021 as of 17:30

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2138	2178	2138	2166.5	2136	15473	694089	-12.25	98.36
Copper	9020	9270	8961	9097	8941	32397	341627	35.50	411.91
Lead	2159	2185	2147	2152	2151	3684	112622	-16.25	97.75
Nickel	19705	20110	19310	19493	19650	15064	235766	-30.00	882.93
Tin	26465	27000	26305	26615	26075	513	14316	2440.00	1207.93
Zinc	2870	2953	2865	2899	2867	9554	237971	-15.50	131.11
					Total:	76685	1636391		

Official Prices					PD		Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	Cash	3M	Cash	3M
Aluminium	2153.5	2161.5	2219.75	2233.5	2115.25	2131.5	2055.28	2060.75
Copper	9067.5	9033	8803.25	8628.25	8946.75	8909.5	8248.38	8232.88
Lead	2152	2164.5	2202.5	2230.5	2151.75	2164.5	2076.06	2088.06
Nickel	19689	19722	19796	19836	19565.5	19588	18413.00	18455.19
Tin	29540	26700			28740	26215	26205.38	23848.94
Zinc	2889.5	2905.5	2893.5	2842.5	2864.75	2881	2716.66	2736.50

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	1354150	1000	6000	-5000	1349150	221050	1128100	Comex, USc/lb	
Copper	75700	200	1000	-800	74900	28250	46650	MAR 21	412.45 1.24
Lead	96050	0	800	-800	95250	32600	62650	MAY 21	413.25 1.35
Nickel	249480	0	330	-330	249150	65862	183288	Shanghai, CNY/mt	
Tin	1350	55	0	55	1405	410	995	MAR 21	63390 1.26
Zinc	276525	0	3350	-3350	273175	35250	237925	Apr 21	67190 5.99

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change	Last	% Change	Last	% Change	AM	PM		
DAX	13950	-0.31	GBP	1.41	0.45	Gold	1811.19	1773.75	1786.20
DJI	31529	0.11	JPY	105.05	0.38	Silver	27.94		2695
S&P500	3885	-0.55	EUR	1.22	0.33	Gold Comex	1810.9		
SSE	3642	-1.45	CNY	6.46	-0.11	Platinum	1277.07		
Hg Seng	30320	-1.06	AUD	0.79	0.60	Palladium	2395.96		
Brent	65	2.64	RUB	74.22	-0.13				

Source: Bloomberg
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