

Authors

Daria Efanova
Research Analyst

TUE 11 MAY 2021 00:10

Daily Base Metals Report

US stocks began the week on the back foot, led by technology shares, as soaring commodity prices raised inflation concerns once again. The dollar was softer, and the 10yr Treasury yield steadied ahead of a busy auction week. Meanwhile, 5yr Treasury inflation breakeven rate, a gauge of the inflation outlook, has climbed to the levels last seen in 2006. Elsewhere, the pound climbed to a higher level since February after the Scottish election pushed back the risk of a near-term vote on independence. Chinese inflation data is out today and is expected to jump to 1.0% y/y in April, vs 0.4% in the previous month.

Metals on the LME surged higher in the first half of the day before selling off later on to close in the negative territory. Protracted selling pressure in the second half of the day and a rejection of prices above \$18,200/t caused nickel prices to close lower at \$17,762/t. Lead was next in line as prices struggled above \$2,260/t to close \$2,212.50/t. Aluminium managed to find support at \$2,505/t and closed at \$2,531/t, with the cash to 3-month spread at -\$12.15/t. Copper jumped to a record high of \$10,747/t before closing lower at \$10,382/t. Zinc was seen lower today, closing at \$2,991.50/t. SGX Iron ore futures surged by more than 12%, to close at \$222.40/mt.

Oil futures surged, with Brent rising to the May 2018 highs of \$69.20/bl after a cyberattack forced closures of the US pipeline. WTI remained broadly unchanged at \$64.82/bl. The OPEC oil market report is out today, with releases focussing on global demand outlook and production estimates. Precious metals were seen higher, with gold and silver edging up to higher \$1,840.23/bl and \$27.45/oz, respectively.

All price data is from 10.05.2021 as of 17:30

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2542	2603	2505	2531	2532	29955	711153	-12.15	114.76
Copper	10479	10748	10310	10382	10413	28683	325402	-3.25	470.02
Lead	2234	2259	2207	2212.5	2229	4467	111222	-17.75	100.31
Nickel	18150	18265	17630	17762	18070	11095	224319	-29.99	803.77
Tin	30420	30420	29500	29770	29870	420	11955	2840.00	1350.81
Zinc	3035	3063	2979	2991.5	3026	11157	261552	-15.60	135.63
Total:						85777	1645603		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2565	2577	2514	2525	2529.7	2540	2488.10	2488.80	
Copper	10724.5	10720	10166.75	9966.75	10420	10417	10212.70	10210.60	
Lead	2228.5	2244	2284	2308	2220.2	2236.5	2194.90	2209.60	
Nickel	18070	18099	18224	18317	18052.5	18082	17976.80	18005.00	
Tin	33097	29912			32710	29815	33188.60	29724.20	
Zinc	3037.5	3052.5	3030.5	2965.5	3001.75	3015	2965.10	2978.50	

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	1797100	0	7375	-7375	1789725	566125	1223600	Comex, USc/lb		
Copper	126725	0	3525	-3525	123200	48600	74600	MAY 21	473.75	-0.6
Lead	106075	0	100	-100	105975	27800	78175	JUL 21	471.4	-0.73
Nickel	259986	36	978	-942	259044	74856	184188	Shanghai, CNY/mt		
Tin	1280	50	0	50	1330	840	490	MAY 21	74170	1.83
Zinc	290800	0	300	-300	290500	43825	246675	Jun 21	76840	3.60

Global Markets

Global Markets			Currencies			Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change		Last	% Change	AM	PM	
DAX	15400	0.00	GBP	1.41	1.12	Gold	1839.63	0.46	1820.5	1836.55
DJI	35047	0.77	JPY	108.76	-0.15	Silver	27.44	-0.05		2737.5
S&P500	4233	0.00	EUR	1.22	0.01	Gold Comex	1841.5	0.56		
SSE	3428	0.27	CNY	6.42	0.26	Platinum	1268.1	0.97		
Hg Seng	28596	-0.05	AUD	0.79	0.33	Palladium	2968.23	1.51		
Brent	68	0.00	RUB	74.15	-0.48					

Source: Bloomberg
Updated: 10/05/2021 17:18

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).