

Authors

Daria Efanova
Research Associate

TUE 26 OCTOBER 2021 00:10

Daily Base Metals Report

US stocks rose ahead of corporate earnings reports from the big tech firms yesterday. The Fed Chair Powell stated that inflationary pressure could prevail for longer but urged to remain patient on interest rate changes; the 10yr Treasury yield lost ground to 1.63%, the dollar strengthened. Secretary Yellen said she expected price pressures to remain elevated through H1 2022. German business confidence has fallen to the lowest level in half a year, as the manufacturing sector continues to suffer. Meanwhile, the Turkish lira tumbled after President Erdogan escalated tensions with the US and other foreign governments.

Base metals on the LME started the week on the front foot, as most of the complex experienced moderate gains during the day. Copper prices were well supported and tested resistance at \$9,900/t; prices closed lower at \$9,867.50/t. Lead was well bid in the second half of the day, testing the resistance level of \$2,450/t before closing below at \$2,438.50/t; the cash to 3-month spread widened out to \$31.25/t. Nickel advanced, following the previous day slump, supporting prices above \$20,000/t, the metal closed at \$20,306/t. Aluminium prices declined but still managed to close marginally above Friday's close at \$2,875.50/t. SHFE aluminium prices also weakened, closing at CNY721,476/mt; the next day, prices continued their decline to CNY21,200/mt. Zinc prices remained marginally unchanged, closing at \$3,459.50/t.

Oil futures edged higher after Saudi Arabia's statement that the OPEC+ should maintain a cautious approach to managing supplies. WTI and Brent traded at \$83.98/bl and \$85.99/bl. Precious metals were also marginally stronger, with gold and silver increasing up to \$1,808.18/oz and \$24.54/oz.

For more in-depth analysis of base and precious metals, please see our [Quarterly Metals report](#).

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2900	2960	2870	2875	2875	19881	671270	-12.25	130.43
Copper	9798	9916	9772	9867.5	9740	9900	267946	203.25	447.59
Lead	2426	2453	2408	2438.5	2425	4279	112966	30.50	110.61
Nickel	19860	20465	19760	20306	19810	6959	215254	189.00	921.07
Tin	37545	37645	37000	37457	37150	233	14110	1700.00	1699.04
Zinc	3460	3505	3417	3459.5	3429	5336	256191	46.00	156.92
					Total:	46588	1537737		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2917	2925	2788.75	2633	2853.5	2868	3006.323529	3021.911765	
Copper	10050	9805.5	9737.75	9517.75	9857	9704	9746.823529	9626.911765	
Lead	2485	2436	2335	2270	2461.75	2423	2315.647059	2269.823529	
Nickel	20135	20030	19695	19505	19857	19739	19304.41176	19269.41176	
Tin	39300	37550			38840	37350	37824.11765	36482.35294	
Zinc	3510.5	3443	3207	2917	3498.5	3447.5	3356.529412	3337.235294	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	1086625	0	8100	-8100	1078525	457375	621150	Comex, USc/lb		
Copper	161550	1450	3200	-1750	159800	136500	23300	DEC 21	449.8 -1.33	
Lead	56775	0	575	-575	56200	13500	42700	MAR 22	446.4 -1.09	
Nickel	142446	24	486	-462	141984	66738	75246	Shanghai, CNY/mt		
Tin	975	25	5	20	995	575	420	21-Nov	71950 -0.54	
Zinc	198275	3675	2325	1350	199625	52375	147250	21-Dec	71740 -0.58	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15599	0.36	GBP	1.3766	-0.0073	Gold	1807.47	-0.0144	1792.3
DJI	35741	0.18	JPY	113.7100	0.0000	Silver	24.57	-0.0049	2431
S&P500	4566	0.47	EUR	1.1611	0.0258	Gold Comex	1806.8	0.585	
SSE	3610	0.76	CNY	6.3858	-0.0125	Platinum	1063.21	0.0744	
Hg Seng	26132	0.02	AUD	0.7492	0.0133	Palladium	2062.09	0.3001	
Brent	86	0.48	RUB	69.7550	0.8090				

Source: Bloomberg
Updated: 25/10/2021 23:04

All price data is from 25.10.2021 as of 17:30

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. Sudden 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.suddenfinancial.com/en/risk-warning-and-disclaimers).