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Daily Base Metals Report

US stocks retreated after a disappointing economic performance being released today, as we saw inflation and tight market conditions trickle through to the demand side. US retail sales fell by 1.9% m/m, the most significant decline in 10 months, as inflation deteriorated consumer spending. Persistent inflationary pressures, coupled with the omicron-led outbreak, have also caused US consumer sentiment to decline in early January; consumers now expect inflation to rise 4.9% over the next year, vs 2% that the Fed will aim to bring it down to. Likewise, US factory output growth declined in December, driven by material and labour shortages putting pressure on manufacturers. The dollar softened, and the 10yr US Treasury yield jumped higher. Elsewhere, German GDP fell by 1% in Q4 2021, with the last decline seen in Q1, when the economy was through tough lockdown restrictions.

LME prices edged lower after US retail sales declined in December. Copper traded through \$9,750/t to close at \$9,719.50/t. Zinc weakened back to \$3,521/t as data suggests exports improved by 15.6% Y/Y in November, the metal closed at \$3,521/t. Aluminium weakened to close at \$2,976.50/t. Selling pressure was weaker across the other base metals, but tin continues to hold above \$40,000/t, closing higher at \$40,351/t.

Oil futures closed the fourth straight week on the front foot, making it the longest-running streak since October on signs of tightening market conditions and resilient demand-side despite omicron risks. WTI and Brent traded higher to \$83.00/bl and \$85.25/bl. Precious metals have all weakened, with gold and silver falling to \$1,818.64/oz and \$22.94/oz, respectively.

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	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2958	2996	2937	2976.5	2945	18448	649969	-0.30	134.31
Copper	9911	9976	9699	9719.5	9986	15403	247777	10.75	450.63
Lead	2353	2381	2348	2355.5	2337	4180	102191	7.60	106.84
Nickel	22150	22935	21790	22194	21980	10929	230632	376.50	1003.58
Tin	41000	41035	39900	40351	41540	248	15188	365.00	1849.77
Zinc	3548	3598	3504	3521	3535	8851	253696	14.95	161.44
					Total:	58059	1499453		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2977.5	2980	2710.5	2520.5	2971.01	2982.5	2918.6875	2930.5
Copper	9900	9885	9437.25	9212.25	10081	10064	9732.75	9713.8125
Lead	2383	2371	2243.75	2163.75	2360.25	2346	2327.8125	2306.5
Nickel	22850	22425	21244.75	21104.75	22229.75	22064	21236.25	21085
Tin	40850	40500			41711	41402	40515.625	40088.125
Zinc	3560	3546	3094.67	2804.67	3568.5	3552	3591	3556.6875

Monthly Avg

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	895000	0	3450	-3450	891550	391000	500550	Comex, USc/lb	
Copper	83800	2875	375	2500	86300	7925	78375	MAR 22	3.33
Lead	54650	0	50	-50	54600	13575	41025	MAY 22	3.29
Nickel	98364	0	618	-618	97746	52914	44832	Shanghai, CNY/mt	
Tin	2160	15	25	-10	2150	200	1950	21-Nov	1.80
Zinc	184950	0	1275	-1275	183675	51550	132125	21-Dec	1.96

Other Copper Markets

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15883	-0.93	GBP	1.3658	-0.3502	Gold	1816.63	-0.3243	1822.4
DJI	35703	-1.14	JPY	114.1000	0.0876	Silver	22.88	-0.8896	2324.5
S&P500	4629	-0.65	EUR	1.1404	-0.4452	Gold Comex	1815.7	-0.313	
SSE	3521	-0.96	CNY	6.3527	0.1118	Platinum	970.36	-0.4044	
Hg Seng	24383	-0.19	AUD	0.7202	-1.1122	Palladium	1878.85	-0.6583	
Brent	86	1.78	RUB	76.4640	-0.2082				

Source: Bloomberg
Updated: 14/01/2022 18:06

All price data is from 14.01.2022 as of 17:30

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