

Authors

Daria Efanova
Research Associate

THU 20 JANUARY 2022 00:10

Daily Base Metals Report

US stocks were mixed today as investors weighed on prospects of economic recovery alongside the tightening cycle from central banks. The dollar declined for the first time in four days, and the US 10yr Treasury yield softened. Meanwhile, UK inflation surged unexpectedly to 5.4% y/y in December, the highest level in almost 30 years, putting further pressure on the BOE to hike interest rates again next month. German yield flipped to become positive for the first time since May 2019 as markets are now pricing in a rate hike in September vs October.

Metals prices were on the front foot today as we saw risk appetite across most commodities. We noticed some forward selling in aluminium this morning which was keeping a lid on the market, but this afternoon we saw prices rally to \$3,050/t, closing marginally higher at \$3,050.50/t. Nickel was the big mover, gaining \$1,007/t and breaking \$23,000/t to close at \$23,154/t. Copper rallied and closed at \$9,841.50/t. Tin also pushed higher testing appetite at \$43,000/t and closed at \$42,650/t.

Oil futures continued to climb, with further upside coming from the IEA report stating that oil demand will return to pre-pandemic levels. WTI and Brent are now at \$87.54/bl and \$89.05/bl. Precious metals rallied, with gold and silver strengthening to \$1,840/oz and \$24.11/oz, respectively.

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 | 3012 | 3053 | 3007 | 3050.5 | 3020 | 17601 | 646583 | 7.50 | 138.46 |
| Copper | 9688 | 9870 | 9664 | 9841.5 | 9677 | 11523 | 240167 | 22.50 | 445.57 |
| Lead | 2327 | 2365 | 2320 | 2363 | 2317 | 2599 | 100171 | 5.44 | 107.12 |
| Nickel | 22075 | 23230 | 22075 | 23154 | 22080 | 9252 | 222081 | 330.00 | 1052.57 |
| Tin | 42225 | 43000 | 41800 | 42896 | 42305 | 402 | 14441 | 505.00 | 1947.07 |
| Zinc | 3554 | 3608 | 3551 | 3581.5 | 3552 | 6980 | 254859 | 20.50 | 162.55 |
| | | | | | Total: | 48357 | 1478302 | | |

Official Prices

| | Cash | 3m | Dec Yr 1 | Dec Yr 2 | PD Cash | PD 3M | Cash | 3M |
|-----------|-------|--------|----------|----------|---------|--------|-------------|-------------|
| Aluminium | 3036 | 3027 | 2738.5 | 2523.5 | 3028.5 | 3024.5 | 2948.166667 | 2954.416667 |
| Copper | 9801 | 9785 | 9569.25 | 9349.25 | 9685.5 | 9676 | 9745.375 | 9727.708333 |
| Lead | 2352 | 2346 | 2252.5 | 2172.5 | 2324.25 | 2323 | 2339.375 | 2323 |
| Nickel | 22795 | 22540 | 22205 | 22055 | 22443 | 22073 | 21729.16667 | 21479.58333 |
| Tin | 43050 | 42650 | | | 42654 | 42292 | 41002.08333 | 40587.91667 |
| Zinc | 3602 | 3565.5 | 3176 | 2886 | 3579.5 | 3567 | 3580.75 | 3552 |

Monthly Avg

LME Stocks (tonnes)

| | Opening | In | Out | Net Change | Closing | C-warrants | Open Tonnage | Last | % Change |
|-----------|---------|------|------|------------|---------|------------|--------------|------------------|--------------|
| Aluminium | 884125 | 0 | 5375 | -5375 | 878750 | 404075 | 474675 | Comex, USc/lb | |
| Copper | 94525 | 4250 | 25 | 4225 | 98750 | 14925 | 83825 | MAR 22 | 438.25 -0.86 |
| Lead | 54150 | 0 | 100 | -100 | 54050 | 13025 | 41025 | MAY 22 | 438.5 -0.80 |
| Nickel | 94872 | 558 | 600 | -42 | 94830 | 47328 | 47502 | Shanghai, CNY/mt | |
| Tin | 2125 | 30 | 0 | 30 | 2155 | 235 | 1920 | 21-Nov | 0 0.00 |
| Zinc | 179950 | 0 | 4425 | -4425 | 175525 | 44100 | 131425 | 21-Dec | 69960 -0.01 |

Other Copper Markets

Global Markets

| Last | % Change | | Currencies | | Precious Metals | | Previous Day's Fix | | | |
|---------|----------|----------|------------|----------|-----------------|------------|--------------------|--------|--------|---------|
| | Last | % Change | Last | % Change | Last | % Change | AM | PM | | |
| DAX | 15810 | 0.24 | GBP | 1.3633 | 0.2721 | Gold | 1842.16 | 1.5669 | 1810.8 | 1817.25 |
| DJI | 35460 | 0.26 | JPY | 114.3200 | 0.2537 | Silver | 24.20 | 3.1073 | | 2291.5 |
| S&P500 | 4592 | 0.34 | EUR | 1.1347 | 0.1943 | Gold Comex | 1842.3 | 1.650 | | |
| SSE | 3558 | -0.33 | CNY | 6.3451 | 0.1245 | Platinum | 1035.03 | 5.0536 | | |
| Hg Seng | 24128 | 0.06 | AUD | 0.7229 | 0.6124 | Palladium | 2019.59 | 5.9529 | | |
| Brent | 89 | 1.22 | RUB | 76.3727 | 0.7774 | | | | | |

Source: Bloomberg
Updated: 19/01/2022 17:27

All price data is from 19.01.2022 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).