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Daily Base Metals Report

U.S. inflation surprised to the upside, reaching 7.5% Y/Y, with core inflation at 6%. The month on month growth was 0.6%. The most significant price increases came from used cars at 40%. As indicated yesterday, stocks sold off, and yields rallied, breaking above 2%, but U.S. equities have now stabilised. Average hourly and weekly earnings have declined by 1.7% and 3.1%, respectively. The dollar has sold as it did in previous high readings, but cable has surged higher, breached 1.36 and trades at 1.3641. The high inflation reading has forced the Fed's hand, and we look at language in the lead up to the March meeting from Fed officials about a 50bp hike. EURUSD has firmed, breaking towards 1.15.

Metals prices were bid once again, but aluminium consolidated recent gains after the large inflow into LME warehouses. We expect aluminium prices to remain on-trend with physical prices high, especially in Europe. Zinc prices rallied towards \$3,750/t and closed at \$3,703/t; lead tested appetite at \$2,282.5/t with the cash to 3-month spread at \$11.65/t. Copper has been bid but failed above \$10,250/t. China easing monetary conditions into the already tight market indicates a tighter market. We expect copper to remain firm in the near term; the cash to 3 month spread rallied to \$50/t (last). Tin and nickel were well bid once again, with Tin breaking above \$44,000/t and nickel at \$23,465/t at writing. Iron ore and steel have continued to rally, with SGX iron ore at \$155.95/t.

Energy continues to rally after yesterday's stock data; OPEC has indicated that demand could surprise the upside due to the economic recovery. Brent and WTI are at \$92.92/bl and \$91.46/bl at the time of writing. Gold and silver prices, \$1,840/oz with silver at \$23.67/oz.

Base Metals Report

Thursday, 10 February 2022 17:00

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	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	3263	3333	3234	3250.5	3263	23382	674412	16.50	147.46
Copper	10082	10289	10031	10254	10095	28849	254000	51.00	464.21
Lead	2261	2290	2252	2279	2268	5666	98665	11.65	103.58
Nickel	23280	23790	23210	23526	23280	8751	222046	384.00	1062.55
Tin	43230	44276	42965	44192	43070	396	14723	193.00	2004.67
Zinc	3663	3745	3650	3703	3667	12286	253012	3.75	167.76
Total:						79330	1516858		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash	3M
Aluminium	3313	3287	2859.75	2589.75	3282.75	3266	3151.8125	3124.5
Copper	10220.5	10181	9847.5	9527.5	10103	10059	9869.0625	9831.375
Lead	2300	2285	2170	2090	2252.25	2243.5	2236	2226.75
Nickel	24055	23625	21769	21544	23571	23187	23523.125	23049.375
Tin	44445	44300			43289	43110	43594.375	43247.5
Zinc	3738	3730	3294.25	2974.25	3643.75	3644.5	3648.1875	3636.5

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C- warrants	Open Tonnage	Other Copper Markets Last	% Change
Aluminium	761950	126375	7350	119025	880975	285825	595150	Comex, USc/lb	
Copper	77325	1650	2650	-1000	76325	22900	53425	MAR 22	460.25 3.17
Lead	51950	0	0	0	51950	11200	40750	MAY 22	460.15 3.06
Nickel	85644	0	924	-924	84720	40266	44454	Shanghai, CNY/mt	
Tin	2430	10	30	-20	2410	245	2165	22-Feb	72020 2.40
Zinc	152700	0	500	-500	152200	20775	131425	22-Mar	71970 2.46

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15490	0.05	GBP	1.3629	0.6945	Gold	1839.04	0.3098	1828.1 1827.80
DJI	35713	-0.15	JPY	115.9400	-0.3623	Silver	23.65	1.4335	2325
S&P500	4570	-0.36	EUR	1.1478	0.4639	Gold Comex	1841.1	0.245	
SSE	3486	0.17	CNY	6.3541	0.1353	Platinum	1056.84	1.8612	
Hg Seng	24924	0.38	AUD	0.7238	0.8218	Palladium	2301.55	0.931	
Brent	93	1.39	RUB	74.6480	0.0864				

Source: Bloomberg
 Updated: 10/02/2022 17:24

All price data is from 10.02.2022 as of 17:30

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