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Daily Base Metals Report

US stocks weakened today, closing the quarter on the back foot for the first time since the beginning of the pandemic. According to Commerce Department data, in 2021, US corporations experienced the most profitable year since 1950, as government transfers during the pandemic drove household demand. US inflation-adjusted spending declined by 0.4% m/m in February as rising prices tempered consumer demand, taking some pressure off the Fed's next move in May. The 10yr US Treasury yield fell for the fourth consecutive day; the markets, however, still anticipate a 50bps hike from the policymakers during their next meeting. In the meantime, the US 30yr mortgage rate reached 4.67%, the highest level since December 2018, and we are likely going to see this translate into lower home purchases in the coming months. US initial jobless rate increased by 14,000 in the week ending March 26, still near historical lows. Elsewhere, UK economy grew stronger than forecast in Q4 2021 despite a growing number of omicron cases in the economy, up by 1.3%, driven in large by expanding service industry.

A mixed day on the LME exchange, with metals fluctuating during the day, struggling to find momentum. Aluminium declined, falling below the support level of \$3,500/t to close at \$3,491/t. Copper wavered but managed to gain some ground, as it closed higher at \$10,375/t; cash to 3-month tightened marginally into -\$5.00/t. Likewise, nickel whipsawed but struggled to break above resistance of \$33,745/t and closed down on the day at \$32,107/t. SGX iron ore futures topped \$160/mt after Chinese provinces sold infrastructure bonds at a record pace, boosting the expectations for demand recovery after the lockdown restrictions ease.

Oil futures continued their decline, falling by more than \$5 today, amid news that the US would release roughly 1m bl/d from its reserves for several months; overall there could be as much as 180m barrels released. WTI and Brent managed to hold above \$100 at \$103.47/bl and \$108.41/bl, respectively. Russia is offering India steep discounts for its oil exports, down to as much as \$35/bl, to entice more deals with the country in the longer term. European gas futures continued to grow, despite Russia backing down on its ruble payment, as the demand outlook offset the impact of the news. Gold and silver were marginally unchanged.

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	3541	3609	3480	3491	3552	13100	609012	-14.50	158.53
Copper	10372	10425	10286	10375	10371	6979	255905	-5.00	470.47
Lead	2404	2434	2391	2416	2430	3280	111715	4.50	109.38
Nickel	32495	33745	32010	32107	32575	1804	189278	39.00	1455.59
Tin	42430	42950	42400	42910	42535	238	14158	990.00	1943.21
Zinc	4177	4250	4113	4173.5	4182	6401	235758	59.00	189.51
Total:						31802	1415826		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	3503	3518	3397.25	3274	3536.5	3551	3537.847826	3542.934783	
Copper	10337	10335	10227	10082	10360.5	10367.5	10237.58696	10245.65217	
Lead	2433	2427	2352.25	2302.25	2424.5	2417.5	2359.478261	2366.173913	
Nickel	33400	33350	32696	32546	32932	32893	34111.17647	33783.82353	
Tin	44200	42900			43471	42493	44248.91304	43916.73913	
Zinc	4260	4152	3498.5	2998.5	4170	4149	3974.304348	3961.891304	

LME Stocks (tonnes)						Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	654475	0	7625	-7625	646850	211425	435425	Comex, USc/lb	
Copper	87925	3525	50	3475	91400	25200	66200	MAY 22	475.05 0.72
Lead	38725	0	0	0	38725	4300	34425	JUL 22	475.45 0.50
Nickel	72540	192	162	30	72570	16986	55584	Shanghai, CNY/mt	
Tin	2110	0	0	0	2110	620	1490	22-Apr	73580 -0.27
Zinc	142100	0	175	-175	141925	36825	105100	22-May	73540 -0.18

Global Markets		Currencies		Precious Metals			Previous Day's Fix	
Last	% Change	Last	% Change	Last	% Change	AM	PM	
DAX	14415 -1.31	GBP	1.3151 0.1294	Gold	1944.79 0.6167	1917.8	1933.85	
DJI	35108 -0.34	JPY	121.4400 0.3211	Silver	24.97 0.4093		2475.5	
S&P500	4593 -0.20	EUR	1.1093 -0.5915	Gold Comex	1949.2 0.526			
SSE	3252 -0.44	CNY	6.3400 0.1215	Platinum	992.8 -0.183			
Hq Seng	21997 -1.06	AUD	0.7498 -0.1465	Palladium	2296.13 1.193			
Brent	108 -4.54	RUB	118.6895 1.4433					

Source: Bloomberg
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All price data is from 31.03.2022 as of 17:30

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