

Authors

Geordie Wilkes
Head of Research

WED 22 JUNE 2022 00:30

Daily Base Metals Report

European equities came under selling pressure as traders continued to price in softer earnings and a higher probability of a recession in 2023. Investors are certainly focusing more on stocks with stronger margins and cash flow. US equities have edged higher after Jerome Powell reiterated the Fed's commitment to curbing inflation and suggested that the chances of a recession were not particularly elevated. The Fed will continue to keep a close eye on data to indicate the rate hike path. The dollar index softened slightly and with USDCHF coming under pressure.

Metals prices declined as demand concerns due to the economic slowdown. Tin came under heavy selling breaking back below \$30,000/t to settle at \$29,054/t, with the spread at \$225/t. Lead and zinc were marginally weaker and closed at \$3,551/t and \$2,019/t. Ali failed above \$2,500/t and closed at \$2,479.50/t as energy costs eased marginally which will likely prompt more supply to come online in the medium term, however electricity costs are still high. Nickel came under heavy selling pressure after failing above \$25,000/t, and closed at \$24,449/t at the time of writing. Copper found support at \$8,656/t and trades at \$8,770/t at the time of writing with cash to 3s at \$5/t.

Oil prices declined today as we continued to see some long liquidations and profit taking. Brent trades at \$111.63/bl and WTI at \$106.42/bl. Demand woes continue present near term risks to the downside but the longer term outlook is still tight. Gold and silver were flat on the day.

For more in-depth analysis of base and precious metals, our Q2 2022 [Quarterly Metals report](#) is out now!

Base Metals Report

Wednesday, 22 June 2022 17:00

Industrial Commodities
 industrials@sucfn.com
 +44(0)20 3207 5430
 www.sucdenfinancial.com

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2525	2537	2462	2479.5	2530	15279	570918	-13.10	112.58
Copper	8954	8954	8656	8773	8965	22620	223484	5.00	397.74
Lead	2061	2061	2017	2020.5	2062	4074	89122	-0.25	91.58
Nickel	25390	25390	24410	24449	26095	5168	151404	-60.00	1109.04
Tin	30850	30850	28735	29054	31180	409	12020	225.00	1320.87
Zinc	3592	3617	3510	3536.5	3573	7598	201540	160.00	161.25
Total:						55148	1248488		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash	3M
Aluminium	2455.5	2470	2497	2507	2520.75	2533.5	2610.035714	2633.178571
Copper	8729	8730	8991.49	8973.49	8995.49	8995	9304.142857	9304.964286
Lead	2040	2038	1999	1967	2062.5	2065.5	2116.642857	2123.892857
Nickel	24975	24955	24794	25024	25896	25949	26770.71429	26859.64286
Tin	29525	29375			31556	31339	33829.28571	33548.92857
Zinc	3699.5	3551	3247.5	3006.5	3703	3592	3721.5	3677.571429

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets Last	% Change	
Aluminium	398925	0	3350	-3350	395575	229000	166575	Comex, USc/lb		
Copper	115150	0	975	-975	114175	17525	96650	JUL 22	403.9	0.64
Lead	39225	500	25	475	39700	4800	34900	SEP 22	404.85	0.47
Nickel	68736	48	324	-276	68460	9156	59304	Shanghai, CNY/mt		
Tin	3345	0	10	-10	3335	250	3085	22-Jul	68000	-0.26
Zinc	78550	1250	1200	50	78600	52275	26325	22-Aug	67770	-0.16

Global Markets

	Last	% Change	Currencies Last	% Change	Precious Metals Last	% Change	Previous Day's Fix AM	PM	
DAX	13144	-1.11	GBP	1.2280	0.0244	Gold	1838.02	1836.5	1840.25
DJI	30511	-0.06	JPY	136.0500	0.3822	Silver	21.48	-0.9351	2167
S&P500	3767	0.05	EUR	1.0584	0.4842	Gold Comex	1840	0.065	
SSE	3267	-1.20	CNY	6.7023	-0.1910	Platinum	932.11	-1.1024	
Hq Seng	21008	-2.56	AUD	0.6931	-0.5738	Palladium	1863.67	-0.8053	
Brent	112	-2.64	RUB	118.6895	1.4433				

Source: Bloomberg
 Updated: 22/06/2022 17:16

All price data is from 22.06.2022 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. Sucden 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.sucdenfinancial.com/en/risk-warning-and-disclaimers).