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Daily Base Metals Report

US stocks -after the tech giant performance exceeded expectations, ahead of the key rate decision by the Federal Reserve tonight. The Federal Reserve raised rates by 75bps today as it tries to cool inflation that continues to break new highs. US economy is forecast to have grown by 0.4% in Q2, while narrowly avoiding technical recession, still expected to show signs of a weakening economy. US durable goods orders rose unexpectedly in June as demand for equipment has surged. The dollar edged higher and the US Treasury yield fell to 2.77%. China's cost of borrowing in the overnight repo market fell below 1.00%, down 93bps this month, as liquidity conditions are not improving despite PBoC support. At the same time, China's industrial profits rose by 0.8% y/y in June, first monthly incline since March, given the impact of reopening of lockdown conditions on production, logistics and sales.

The mood improved on the LME exchange later on in the day, helping to recover earlier declines. Aluminium found support at \$2,390/t but struggled to gain momentum to break above yesterday's close, as it edged back to close at \$2,422.50/t. Aluminium scrap imports reached 124,600mt in June, up by 220% y/y, after customs have relaxed the inspection of imported material; but, overall, market tightness prevails. Copper shot up higher after finding support of \$7,540/t to close at \$7,637/t. Nickel has closed range bound at \$21,813/t. LME and SHFE inventories continue to refresh the new lows, as material availability diminishes; the former is currently at 60,168mt – a multi-year low. Lead and zinc closed at \$2,013/t and \$3,054/t, respectively.

Oil futures rallied as exports of crude out of the US reached record highs, as it aims to fill the gap left by Russia. WTI and Brent now trade at \$97/bl and \$106/bl. Gold and silver steadied before the Fed decision, trading at \$1,719/oz and \$18.66/oz, respectively. Natural gas prices rallied once again after Gazprom cut supplies via its most important link to Europe to 20% of total capacity.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2424	2435	2371	2422.5	2422	10562	567400	12.00	109.57
Copper	7549	7665	7507	7637	7545	15431	232692	-9.00	345.57
Lead	2023	2028	2006	2013	2015	2121	87228	7.00	91.40
Nickel	21605	22000	21274	21813	21740	1677	155594	-58.00	991.56
Tin	24575	24705	24000	24344	24450	245	12745	185.00	1099.29
Zinc	3050	3061	3005	3054	3036	5007	199389	94.00	137.76
						Total:	35043	1255048	

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2390.5	2386.5	2463	2512	2430.75	2421.5	2395.947368	2404.342105	
Copper	7552	7570	7540.75	7553.75	7520.25	7536.5	7505.947368	7525.789474	
Lead	2016.5	2015	1990	1970	2034	2023	1971.868421	1962.078947	
Nickel	21300	21300	21949	22274	21513	21571	21452.63158	21476.05263	
Tin	24150	24050			24630	24470	25260.78947	24894.47368	
Zinc	3116	3030	2699	2449	3142	3039	3076.026316	3005.026316	

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	304125	0	4425	-4425	299700	151350	148350	Comex, USc/lb		
Copper	132025	925	450	475	132500	24275	108225	JUL 22	338.25	0.94
Lead	39150	0	0	0	39150	4500	34650	SEP 22	338.45	0.89
Nickel	59382	0	1062	-1062	58320	7560	50760	Shanghai, CNY/mt		
Tin	3670	100	50	50	3720	210	3510	22-Aug	58500	0.38
Zinc	72250	0	425	-425	71825	45425	26400	22-Sep	58250	0.34

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	13166	0.53	GBP	1.2028	0.0000	Gold	1719.01	0.0984	1719.85
DJI	31921	0.50	JPY	137.3300	-0.3058	Silver	18.65	0.1546	1854.00012
S&P500	3976	1.41	EUR	1.0110	-0.0692	Gold Comex	1735.2	-0.029	
SSE	3276	-0.05	CNY	6.7590	0.0710	Platinum	885.84	1.0656	
Hq Seng	20670	-1.13	AUD	0.6920	-0.2738	Palladium	2022.84	0.405	
Brent	107	2.23	RUB	118.6895	1.4433				

Source: Bloomberg
Updated: 27/07/2022 16:57

All price data is from 27.07.2022 as of 17:30

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