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# Daily Base Metals Report

US stocks fluctuated ahead of the highly watched inflation release tomorrow, which is once again expected to come in lower than the previous month's reading at 6.5%. If the central banks' goal to bring the inflation down to the target level prevails, the changes in headline inflation towards that target will not take place until core components begin to soften in line with more volatile parts. In subsequent months, market will start to pay closer attention to the trajectory of core CPI level. Lower-than-expected inflation reading could trigger some yield softness, but we expect the Fed to hike by 25bps in February. The dollar and the 10yr US Treasury yield have remained unchanged ahead of the event.

The metals market once again saw robust gains on the upside today, supported by reopening sentiment coming from China. Additionally, a lower dollar has also boosted the upside. In particular, aluminium saw protracted buying pressure push the metal above \$2,500/t to settle at \$2,510/t. Copper rallied for the 5th straight session, breaking above the resistance level of \$9,000/t for the first time since June and settled at \$9,124.50/t. Iron ore also jumped higher to test the 5-month high of \$121.50/mt. Lead fluctuated, and zinc closed higher at \$3,207/t. Despite tight market conditions in the market, given historically low stockpiles, cash to 3-month spreads remain at a healthy contango level, suggesting that severe tightness is not imminent. This, coupled with Chinese Lunar New Year celebrations starting next week, could mean seasonal softness in demand coming from China in the coming weeks.

Oil futures were also supported by China's positive sentiment, rallying in the latter part of the day, despite rising crude stockpiles report coming from the US. WTI and Brent now trade at \$77/bl and \$82/bl. Gold and silver wavered today, settling at \$1,873/oz and \$23.40/oz, respectively.

|           | Open  | High  | Low   | 5pm Close | PDC           | Volume       | Total O.I      | Spreads | Conversion |
|-----------|-------|-------|-------|-----------|---------------|--------------|----------------|---------|------------|
|           |       |       |       |           |               |              |                | C-3M    | USc/lb     |
| Aluminium | 2459  | 2515  | 2447  | 2510      | 2457          | 19501        | 551560         | -32.25  | 113.85     |
| Copper    | 8935  | 9185  | 8910  | 9124.5    | 8937          | 25698        | 252492         | -17.00  | 413.88     |
| Lead      | 2186  | 2200  | 2168  | 2192      | 2186          | 7848         | 109701         | 12.00   | 99.43      |
| Nickel    | 27945 | 28155 | 25915 | 27039     | 27270         | 3563         | 136120         | -203.00 | 1226.48    |
| Tin       | 25920 | 27085 | 25920 | 26813     | 25915         | 583          | 14583          | -92.00  | 1216.23    |
| Zinc      | 3172  | 3212  | 3153  | 3207      | 3167          | 6413         | 187549         | 19.25   | 145.47     |
|           |       |       |       |           | <b>Total:</b> | <b>63606</b> | <b>1252005</b> |         |            |

| Official Prices |        |       |          |          |         |        | Monthly Avg |             |  |
|-----------------|--------|-------|----------|----------|---------|--------|-------------|-------------|--|
|                 | Cash   | 3m    | Dec Yr 1 | Dec Yr 2 | PD Cash | PD 3M  | Cash        | 3M          |  |
| Aluminium       | 2451   | 2487  | 2686.75  | 2781.75  | 2429    | 2463.5 | 2326.357143 | 2360.571429 |  |
| Copper          | 8987   | 8995  | 9060.5   | 8984.5   | 8890.5  | 8912   | 8551        | 8572.285714 |  |
| Lead            | 2202   | 2183  | 2219.5   | 2209.5   | 2213.25 | 2200   | 2273.5      | 2234.142857 |  |
| Nickel          | 27575  | 27880 | 28595    | 29470    | 27234   | 27466  | 28564.28571 | 28780.71429 |  |
| Tin             | 26600  | 26775 |          |          | 25765   | 25860  | 25492.85714 | 25582.14286 |  |
| Zinc            | 3175.5 | 3164  | 3013.75  | 2846.25  | 3174.1  | 3160.5 | 3076.785714 | 3056.571429 |  |

| LME Stocks (tonnes) |         |      |      |            |         |            | Other Copper Markets |                  |             |  |
|---------------------|---------|------|------|------------|---------|------------|----------------------|------------------|-------------|--|
|                     | Opening | In   | Out  | Net Change | Closing | C-warrants | Open Tonnage         | Last             | % Change    |  |
| Aluminium           | 418875  | 0    | 5175 | -5175      | 413700  | 218125     | 195575               | Comex, USc/lb    |             |  |
| Copper              | 84775   | 1000 | 975  | 25         | 84800   | 15950      | 68850                | MAR 23           | 407.75 1.27 |  |
| Lead                | 23375   | 0    | 1525 | -1525      | 21850   | 12025      | 9825                 | MAY 23           | 407.9 1.23  |  |
| Nickel              | 54312   | 0    | 318  | -318       | 53994   | 8100       | 45894                | Shanghai, CNY/mt |             |  |
| Tin                 | 3070    | 15   | 0    | 15         | 3085    | 390        | 2695                 | 23-Jan           | 67450 1.46  |  |
| Zinc                | 22150   | 0    | 475  | -475       | 21675   | 10025      | 11650                | 23-Feb           | 67390 1.32  |  |

| Global Markets |          | Currencies |      | Precious Metals |         | Previous Day's Fix |         |         |                |
|----------------|----------|------------|------|-----------------|---------|--------------------|---------|---------|----------------|
| Last           | % Change |            | Last | % Change        | Last    | % Change           | AM      | PM      |                |
| DAX            | 14948    | 1.17       | GBP  | 1.2142          | -0.0987 | Gold               | 1877.14 | 0.0059  | 1875.2 1878.65 |
| DJI            | 33868    | 0.49       | JPY  | 132.4300        | -0.1284 | Silver             | 23.41   | -0.8071 |                |
| S&P500         | 3948     | 0.73       | EUR  | 1.0750          | 0.1584  | Gold Comex         | 1881.3  | 0.256   |                |
| SSE            | 3162     | -0.24      | CNY  | 6.7650          | 0.2143  | Platinum           | 1071.34 | -1.0529 |                |
| Hq Seng        | 21436    | 0.49       | AUD  | 0.6904          | 0.2177  | Palladium          | 1780.53 | -0.1783 |                |
| Brent          | 82       | 2.85       | RUB  | 118.6895        | 1.4433  |                    |         |         |                |

Source: Bloomberg  
Updated: 11/01/2023 19:23

All price data is from 11.01.2023 as of 17:30

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