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Daily Base Metals Report

US stocks weakened as the markets digested a slew of market data releases today. Retail sales declined by 1.1% m/m, a much sharper contraction than the markets had anticipated, marking the lowest level since February 2021; vehicles and spending at petrol stations drove the decline, suggesting the weakness is not yet indicative of consumer weakness. At the same time, producer prices and capacity utilisation declined faster than expected, falling by 0.5% and 0.7% m/m, respectively, highlighting the underlying demand softness in the industrial sector. The dollar continued to decline, and the 10yr US Treasury yield dropped below 3.50%. UK inflation eased for a second month, as it grew by 10.5% y/y in December; while petrol prices are declining from their highs, food gains drove the underlying performance. The BOJ pushed against the market expectations, as it kept the main policy rate unchanged and the target for the 10-year yields under the curve control programme at 0.5%. The yen has managed to fight back following the immediate sell off, settling at 128.47.

Base metals continued this year's trend, with prices strengthening across the board as the weaker-than-expected US economic data is giving more room for the Fed to ease the rate of hikes. Aluminium continued to break higher but struggled above the resistance level of \$2,620/t and settling at \$2,638/t; the cash to 3-month spread continued to tighten, testing the November high at -\$21.50/t. Likewise, copper continued to edge higher, settling at \$9,323.50/t. Nickel opened higher on the front foot, jumping by \$1,260/t on the open, but traded slightly lower from the highs during the day to \$27,844/t. Lead was the only metal that closed lower at \$2,183/t. Zinc closed at \$3,405/t.

Oil futures gained a footing on the back of a positive demand outlook, driving WTI and Brent to \$81/bl and \$87/bl. Precious metals failed to hold up the earlier gains, with gold and silver settling slightly lower at \$1,907/oz and \$23.80/oz, respectively.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2620	2680	2603	2638	2625	22427	554580	-24.00	118.37
Copper	9282	9551	9245	9323.5	9295	20664	253841	7.00	422.75
Lead	2217	2225	2175	2183	2220	5389	116514	5.26	98.88
Nickel	26855	28200	26855	27844	26575	2003	133029	-205.00	1263.27
Tin	28420	29400	28400	29100	28325	444	14345	-84.00	1315.66
Zinc	3303	3426	3278	3405	3304	10146	197488	17.96	152.43
					Total:	61073	1269797		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2636	2662	2754.6	2824.6	2593.75	2618.5	2420.333333	2451.583333	
Copper	9436	9430	9204.75	9131.75	9282.99	9287	8810.916667	8829.583333	
Lead	2218	2209	2199.75	2189.75	2239	2224.5	2252.625	2221.166667	
Nickel	27510	27800	29251	29120	26485	26690	27913.33333	28127.08333	
Tin	28650	28625			28331	28416	26610.83333	26690.41667	
Zinc	3415	3397	3155.75	2910.75	3312.75	3295	3175.583333	3155.583333	

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C- warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	395150	0	4750	-4750	390400	203325	187075	Comex, USc/lb		
Copper	83325	0	1400	-1400	81925	28350	53575	MAR 23	407.75	1.27
Lead	21525	0	550	-550	20975	4025	16950	MAY 23	407.9	1.23
Nickel	52638	0	252	-252	52386	7734	44652	Shanghai, CNY/mt		
Tin	2895	65	105	-40	2855	105	2750	23-Jan	67450	1.46
Zinc	20000	0	475	-475	19525	9450	10075	23-Feb	67390	1.32

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	15182	-0.03	GBP	1.2365	0.6430	Gold	1908.29	-0.021	1904.95	1913.80
DJI	33571	-1.00	JPY	128.4900	-0.2880	Silver	23.70	-0.9558		2410
S&P500	3958	-0.83	EUR	1.0826	0.3522	Gold Comex	1910.4	0.026		
SSE	3224	0.00	CNY	6.7564	0.2294	Platinum	1045.83	0.2223		
Hq Seng	21678	0.47	AUD	0.6985	-0.0429	Palladium	1742.63	-0.1684		
Brent	87	1.13	RUB	118.6895	1.4433					

Source: Bloomberg
Updated: 18/01/2023 17:01

All price data is from 18.01.2023 as of 17:30

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