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Daily Base Metals Report

US stocks continued to decline today amid mixed economic performance. US housing starts registered at 1,382k in December; whilst lower than the previous reading, still above market expectations. Likewise, initial jobless claims surprised on the upside, coming at 190k in the week ending January 14th, testing September lows, underscoring a tight jobs market. The data once again highlights the economy's resilience to a tighter monetary policy environment, further complicating the outlook for the Fed that is expected to ease the rate of hikes in the next meeting in February. Still, the markets are assessing the mounting fears of easing the global economic environment, and the sentiment failed to hold up during the day. The dollar remained unchanged, and the 10yr US Treasury yield tested the September low of 3.31% before recovering those losses to 3.38%. Likewise, the 2yr yield, which is traditionally more sensitive to monetary policy moves, is edging closer to the 4.0% level.

Mixed base metals performance today, with nickel jumping higher 5.4% during the day on fresh appetite to test the resistance at \$29,500/t before settling slightly lower at \$29,346/t; however, volumes and open interest have been thin. We expect this to be due to diminishing exposure from Chinese markets ahead of the holidays. Aluminium gave up some of yesterday's gains, falling for the first time since early January to close at \$2,587.50/t; the cash to 3-month spread softened into -\$26.30/t. Copper started the day on the back foot before gaining marginal ground to test \$9,350/t; the prices struggled above this level, and the metal settled at \$9,305.50/t. Lead closed lower at \$2,142.50/t, while zinc settled marginally higher at \$3,457.50/t.

Oil futures gained in the latter half of the day, with WTI and Brent jumping back above \$80/bl and \$86/bl. Precious metals gained marginally on a weaker dollar, with gold and silver settling at \$1,920/oz and \$23.60oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2612	2625	2555	2587.5	2616	17103	550254	-29.25	117.82
Copper	9265	9376	9167	9305.5	9289	16904	256041	-4.50	422.12
Lead	2173	2185	2133	2142.5	2172	5743	116818	1.50	97.09
Nickel	28325	29520	28100	29346	28175	2867	132482	-193.00	1333.58
Tin	28650	28975	28175	28800	28750	306	14220	-97.00	1303.64
Zinc	3366	3465	3328	3457.5	3380	9809	200235	16.50	155.72
Total:						52732	1270050		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash	3M
Aluminium	2541	2571	2729.25	2806.25	2611.7	2638	2429.615385	2460.769231
Copper	9190	9194.5	9196.25	9096.25	9326	9323.5	8840.076923	8857.653846
Lead	2163	2155	2159.75	2149.75	2188.26	2183	2245.730769	2216.076923
Nickel	28175	28410	29406	30256	27651	27844	27933.46154	28148.84615
Tin	28650	28700			29016	29100	26767.69231	26845
Zinc	3372	3360	3211	2971	3422.96	3405	3190.692308	3171.307692

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C- warrants	Open Tonnage	Other Copper Markets Last	% Change
Aluminium	390400	0	4550	-4550	385850	198775	187075	Comex, USc/lb	
Copper	81925	800	1125	-325	81600	30225	51375	MAR 23	0.27
Lead	20975	0	0	0	20975	4025	16950	MAY 23	0.28
Nickel	52386	0	426	-426	51960	7392	44568	Shanghai, CNY/mt	
Tin	2855	0	30	-30	2825	100	2725	23-Feb	0.60
Zinc	19525	0	375	-375	19150	9075	10075	23-Mar	0.92

Global Markets

Last	Currencies		Precious Metals		Previous Day's Fix				
	% Change		Last	% Change	Last	% Change			
DAX	14920	-1.72	GBP	1.2368	Gold	1922.94	0.9889	1911.55	1920.70
DJI	33058	-0.72	JPY	128.4700	Silver	23.67	0.8937		2418.5
S&P500	3888	-1.04	EUR	1.0817	Gold Comex	1924.6	0.923		
SSE	3240	0.49	CNY	6.7769	Platinum	1034.31	-0.7199		
Hq Seng	21651	-0.12	AUD	0.6898	Palladium	1741.94	1.1268		
Brent	86	1.57	RUB	118.6895					

Source: Bloomberg
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All price data is from 19.01.2023 as of 17:30

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