market is panicked about further downside and everyone is short. So until we stop dropping for a while, it's hard to see vols going down much in cal15. For those not seeing much of a chance of oil going below 45$, but don't see much of a rally ahead either, something like a clz5 45/75 DNT at 31% would make sense…

G15	48.20%	+6.10%	45.20%	+4.85%
H15	45.20%	+4.30 %	42.80%	+3.90%
M15	38.90%	+2.40%	36.55%	+1.85%
Z15	31.80%	+1.30%	30.55%	+0.65%

Base Metals

3m lvls	dod change	support	resistance
Al $1927.75	-$7.5	$1925	$1945
Cu $6396	-$94	$6300	$6530
Zn $2178	-$13	$2150	$2200
Ni $16,450	-$225	$16,300	$17,100
Pb $1966.25	+$28.75	$1975	$2010

The base complex was looking relatively strong in the morning on expected Chinese stimulus but traded down in the afternoon, reversing gains from the morning on a weaker dollar and lower oil. Copper prices saw modest gains in the morning reversing the gains at around 13:00 before coming off heavily in the afternoon, crashing through $6300. Australia's Bureau of Resource and Energy Economics is forecasting a 300 kMT copper surplus in 2015. China's Gansu province, the 4th largest copper producing region in the country increased it's output by 20% to around 93 KMT in October, however Shandong, the 3rd biggest copper producing region saw a drop in output from ~101kMT to 96kMT. Rio Tinto sees the copper market entering deficit in 2018 on increased demand in electricity networks as they build and incorporate more renewable energy sources. BHP Billiton and Rio Tinto are amassing copper holdings in order to repeat it's iron ore strategy of squeezing out high cost producers. Their jointly owned Resolution project in Arizona could meet 25% of US copper demand on it's own, Escondida in Chile could produce 1mnMT/year ~5% of world output. Nickel prices reached highs of $16860 this morning on news that First Quantum shut it's 38 kMT Ravensthorpe plant in Australia after a sulphuric acid spill and concerns that typhoon season in the Phillipines will lead to shortages in ore after being hit by typhoon Hagupit last week but followed the pattern of the base complex in the afternoon. Aluminium, Zinc and Lead prices followed the base complex, starting off higher before losing ground at 16:00.

Shanghai Aluminium on warrant stocks are up 16.27% to 78.7 kMT. LME Aluminium on warrant stocks are flat at 2016kMT. Shanghai Copper on warrant stocks are up 18.57% to 18 kMT. LME Copper stocks are down 5% 144.2 kMT. LME Nickel stocks are up 0.27% to 307.5 kMT.

ATM Copper Vols are down ~0.83% in JAN, up ~0.34% in the back, Ali Vols down ~0.3% , Nickel vols are down 0.2, Lead and Zinc Vols unch

Upcoming Data

15/12- US Empire Manufacturing- Survey 12, Actual -3.58, Prior 10.16