



Authors

Daria Efanova
Head of Research

THU 08 FEBRUARY 2024 00:10

Daily Base Metals Report

US stocks edged higher today following a rally in the tech sector. This caused the S&P 500 to test the 5,000 level, on hopes that the US economy will remain robust despite higher interest rates, avoiding a full-blown recession. Despite the sluggish seasonal momentum in February and the ongoing pressures from central banks, the gains show no signs of slowing down. This momentum should continue into the weekend as we expect the policymakers to reiterate their higher-for-longer narrative, keeping the dollar and the 10-year yield at current levels. The 10-year yield is now at 4.10%, and the dollar is above 1.04.

A mixed trading session was seen across the base metals space, with downward pressures being felt from elevated dollar and yields. Copper breached the \$8,350/t level to trade at \$8,315/t. Aluminium continued on a mean-reversion strategy, equalising around the \$2,222/t level. As per our previous comment, nickel struggled below the robust support of \$15,840/t but also lacked momentum to break back above the \$16,000/t level, prompting prices to trade at \$15,990/t. There is still a demand for prices to stay between the range of \$16,000-16,500/t in the long run, and we expect that prices will average within this range in the upcoming months. Even if the prices drop, we do not expect them to remain low for a long time, and it is probable that the prices will eventually return to their current levels.

Oil futures edged higher after a mixed US crude stockpile report, which showed a rebound in oil production and a subsequent lift in inventories. Gold and silver fluctuated during the day but struggled to break out of the recent ranges, prompting prices to remain at \$2,038/oz and \$22.33/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2231	2234	2215	2222	2229	14486	711897	-28.00	100.81
Copper	8412	8426	8309	8312	8402	19108	289787	-111.50	377.21
Lead	2118	2122	2097	2099.5	2117	4255	162987	2.80	95.71
Nickel	15930	16050	15850	16012	15900	3125	198213	-259.50	723.94
Tin	25265	25520	25200	25487	25180	259	16877	-260.00	1156.22
Zinc	2435	2441	2397	2400.5	2432	12547	227913	-15.47	109.07
					Total:	53780	1607674		

Official Prices	Monthly Avg							
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2195.5	2230	2457.37	2554.87	2196.11	2230.5	2197.1	2233.5
Copper	8280.5	8393	8546.5	8571.5	8293.25	8402	8345.3	8454.1
Lead	2119	2109.5	2167.08	2200.08	2116.8	2114	2135.5	2128.7
Nickel	15680	16050	17491.5	18251.5	15660	15927	15843	16122
Tin	25150	25350			24932	25187	25236	25522
Zinc	2401	2415	2492	2491	2417.03	2432.5	2435.6	2445.2

LME Stocks (tonnes)	Other Copper Markets									
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	526750	4800	3500	1300	528050	205525	322525	Comex, USc/lb		
Copper	138800	1000	1950	-950	137850	25225	112625	MAR 24	378.1	0.25
Lead	134925	6250	1500	4750	139675	19225	120450	MAY 24	380.9	0.21
Nickel	71802	0	78	-78	71724	5130	66594	Shanghai, CNY/mt		
Tin	6280	55	105	-50	6230	885	5345	23-Feb	67940	-0.10
Zinc	196775	9900	225	9675	206450	31325	175125	01-Mar	68070	-0.09

Global Markets	Currencies				Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	16922	-0.65	GBP	1.2625	0.2143	Gold	2038.92	0.1365	2025.05	2030.80
DJI	38666	0.38	JPY	148.0400	-0.0675	Silver	22.35	-0.3518		2230.5
S&P500	4986	0.63	EUR	1.0768	0.1209	Gold Comex	2054.9	0.171		
SSE	2830	1.44	CNY	7.1948	-0.0653	Platinum	882.48	-2.6057		
Hg Seng	16082	-0.34	AUD	0.6522	-0.0153	Palladium	907.01	-4.6908		
Brent	79	0.43	CAD	1.3476	0.1187					

Source: [Bloomberg](#)
Updated: [07/02/2024 17:30](#)

All price data is from 07.02.2024 as of 17:30

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).