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# Daily Base Metals Report

US stocks saw fluctuations today following labour market data, which highlighted the continuous resilience of the world's largest economy. In January, the unemployment rate remained unchanged at 3.7% - significantly below the historical average of 5.8%. The final print of the University of Michigan Sentiment Index pointed to an even greater increase in consumer confidence than expected, with the reading rising to 79.0 in January compared to 69.7 recorded in the previous month. Investors took today's data as a sign that interest rates could be higher for longer, driving 10-year US Treasury yields above the 4% level again. Yesterday, forward swaps were pricing in an almost 100% chance of the first interest rate cut in May. Today, however, the probability decreased to around 60%. The US dollar jumped higher to 103.95.

The latest job data from the US weighed on base metals' performance across the board today, continuing from yesterday's trend. Once again, aluminium and copper, which are subject to greater fluctuations from macroeconomics, fell below the robust support levels that prices struggled to breach this week. Both metals closed at \$2,233.50/t and \$8,482/t. Lead and zinc continued to follow the technical trend on the downside. Nickel is the only exception to today's sentiment, with prices struggling to break out of the \$16,000/t and \$16,500/t range, prompting prices to edge higher instead.

The rise in long-term US Treasury yields tempered the momentum in gold, causing it to relinquish the previous day's gains and drop below \$2035/oz, with silver also declining to \$22.5/oz. Oil prices depreciated, with WTI and Brent crude trading at \$72.73/bl and \$77.7/bl, respectively.

All price data is from 02.02.2024 as of 17:30

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