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Daily Base Metals Report

Happy Lunar New Year! US stocks saw an uptick today, with the S&P 500 continuing its record-breaking streak. Investors are increasingly adjusting their expectations for the timing of monetary easing, becoming more convinced that the first interest rate reductions will not occur until June. The 10yr US Treasury yield rose to 4.17% today, while the dollar index stayed relatively stable at 104.07.

Despite data indicating a significant surge in new bank loans in China to a record high in January, the metals sector experienced another day of losses. Further policy measures are anticipated following the Lunar New Year celebrations. Copper fell to its lowest price in nearly three months, closing at \$8,169/t, and aluminium dropped to \$2,216/t. Lead saw a decrease to \$2,032/t as LME Inventories on Friday climbed to 150,675 tonnes, the highest in six years. Zinc also declined, reaching its lowest price in over five months at \$2,300.5/t, after reports showed a 10,700-ton influx into LME warehouses. Tin, however, stood out as the sole strong performer, surging to \$26,367/t.

The rise in US Treasury yields has made non-yielding precious metals less appealing to investors. Consequently, both gold and silver saw declines today, trading at \$2,022/oz and \$22.4/oz, respectively. Oil prices remained largely stable, with WTI at \$76.3/bl and Brent crude at \$81.6/bl.

All price data is from 09.02.2024 as of 17:30

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