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Daily Base Metals Report

US stocks opened higher today, echoing the record-high performance of European stocks, with the Euro Stoxx 50 approaching 4980. The European Central Bank (ECB) released a statement that aligned with expectations, maintaining the benchmark deposit rate at a record high of 4%. ECB President Lagarde adopted a cautious tone in her speech, emphasizing a data-driven approach to future monetary policy decisions. The focus remains on European negotiated wages, a critical factor that the chief economist has pointed out for assessing potential rate adjustments. The negotiated wage increase for Q4 2023 was reported at 4.46%, marking a decline from the 4.69% peak in Q3—the highest since records began in 2005. The ECB is closely monitoring these wage trends and has indicated that the Q1 2024 data, expected in May, will be pivotal in evaluating the possibility of interest rate reductions. Following the ECB's announcement, the USDEUR pair dropped to 0.915, reaching its lowest level since mid-January. The Federal Reserve and the ECB have demonstrated similar strategies in recent months, and we anticipate that the ECB will await the Fed's lead in easing monetary policy before taking similar action.

Base metals responded positively to the latest round of central bank statements, jumping higher day-on-day. The momentum was mostly driven in the early morning session as markets responded to the Fed's monetary policy statement announced yesterday. While Powell was cautious in his speech, the market took it as dovish, prompting the dollar and Treasury yields to soften. This appetite was further reinforced by the ECB's decision to keep the rates unchanged, prompting the dollar to contract further. As a result, aluminium jumped above the \$2,200/t level, while copper neared the recent highs of \$8,700/t, closing at \$8,640.50/t. Lead and zinc both saw protracted buying pressures above \$2,100/t and \$2,500/t. Tin also jumped higher to the highs of \$27,570/t. Nickel strengthened but struggled to break above the robust resistance of \$17,935/t.

Gold's momentum has decelerated today after several days of gains that propelled the metal to record highs. Yellow metal modestly appreciated at \$2,153/oz, while silver surged to test at \$24.4/oz. Meanwhile, oil prices remained stable within their current range, with WTI and Brent crude priced at \$78.8/bl and \$82.9/bl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2225	2265	2225	2253	2223	22560	686274	-44.50	102.29
Copper	8545	8680	8545	8640.5	8546	26032	283066	-92.00	391.98
Lead	2070	2106	2068	2108	2069	6164	149604	0.00	95.41
Nickel	17580	18000	17550	17983	17585	4419	210078	-215.00	813.07
Tin	27120	27680	27080	27607	27195	684	19083	-133.00	1251.93
Zinc	2496	2540	2487	2535	2491	15320	229438	-36.50	114.81
					Total:	75179	1577543		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2210	2255.5	2444.89	2535.89	2190.96	2235	2191	2233.7	
Copper	8559	8647	8716	8633	8484.25	8577	8452.1	8543.2	
Lead	2107	2095.5	2122.5	2152.5	2063.65	2065.5	2054.1	2059.8	
Nickel	17660	17950	19329	20069	17489	17717	17497	17759	
Tin	27550	27635			27012	27192	26770	26934	
Zinc	2495	2530	2582.95	2602.95	2457.5	2494.5	2422.9	2462.9	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	581900	0	1575	-1575	580325	230850	349475	Comex, USc/lb		
Copper	113775	0	250	-250	113525	11725	101800	MAR 24	382.75 -0.01	
Lead	191800	0	200	-200	191600	8400	183200	MAY 24	384.05 -0.26	
Nickel	73914	0	210	-210	73704	4752	68952	Shanghai, CNY/mt		
Tin	5520	30	185	-155	5365	960	4405	23-Mar	68740 -0.09	
Zinc	274900	0	2325	-2325	272575	57950	214625	01-Apr	68790 -0.12	

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	17846	0.73	GBP	1.2793	0.4870	Gold	2156.23	0.3747	2127.35	2142.85
DJI	38809	0.38	JPY	148.0300	0.9120	Silver	24.40	0.9608		2379.5
S&P500	5147	0.82	EUR	1.0938	0.3578	Gold Comex	2163.5	0.246		
SSE	3027	-0.41	CNY	7.1926	0.0681	Platinum	920.52	1.2707		
Hg Seng	16230	-1.27	AUD	0.6619	0.8379	Palladium	1044.16	-0.276		
Brent	83	-0.02	CAD	1.3471	0.3192					

Source: Bloomberg
Updated: 07/03/2024 17:30

All price data is from 07.03.2024 as of 17:30

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