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Daily Base Metals Report

US stocks saw fluctuations today as investors braced for tomorrow's Federal Reserve statement, which they hope will clarify the timing of potential monetary easing. Economic data from the world's largest economy showed a higher-than-expected number of building permits and housing starts in February. According to the Commerce Department's report, permits for the future construction of single-family homes rose to a level not seen in over 1.5 years, indicating that demand remains strong despite a prolonged period of high interest rates. The dollar gained strength today, approaching the 104 level, while the 10-year US Treasury yield slightly declined to 4.3%. We anticipate that the Fed will maintain a data-dependent approach in its statement tomorrow, emphasising the necessity of ensuring inflation is on course to meet the target before proceeding with the first interest rate cut. While Powell will likely stick to the same narrative as before, we expect the markets to take any mention of a cut as a sign the monetary easing is approaching, possibly driving US Treasury yields lower. In other news, the Bank of Japan increased its short-term interest rates from -0.1% to 0%-0.1%, ending the negative interest rate policy in place since 2016. This decision led to a sharp decline in the yen against major currencies, with the USD/JPY pair surging to 150.

A dollar strength prompted a correction across the base metals complex today, providing much-needed relief following the rally in recent days. In particular, copper dipped below \$9,000/t to trade at \$8,980/t. However, as mentioned in [our yesterday's comment](#), we anticipate that if prices struggle below the \$8,800/t-9,000/t area, we could see further upside in the coming days. Likewise, aluminium edged lower but still held the support at \$2,250/t intact, suggesting markets are comfortable with keeping prices at the higher end of trading ranges. Nickel, on the other hand, continued to correct, erasing March gains and bringing the metal closer to the fundamental value of \$16,500-17,000/t, closing at \$17,395/t. Tin sold off to \$27,445/t.

Precious metals edged lower today. Gold stood at \$2,153.7/oz, while silver traded at \$24.9/oz. Meanwhile, oil prices continued to rise, with WTI reaching \$83.70/oz and Brent crude advancing to \$87.50/bl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2277	2279	2248	2269	2277	24927	668149	-50.50	103.06
Copper	9095	9106	8944	8976.5	9102	23683	312837	-102.00	407.22
Lead	2088	2107	2074	2093	2088	5327	147485	-39.00	95.28
Nickel	17825	17930	17345	17395	17830	5450	200239	-205.07	788.58
Tin	28715	28715	27305	27445	28735	1070	19503	-239.00	1242.63
Zinc	2530	2530	2485	2505.5	2529	11459	227626	-46.19	113.69
					Total:	71916	1575839		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2202.5	2255	2490.76	2582.76	2226.58	2277.5	2204.153846	2250.423077	
Copper	8875	8980	9183.5	9144.75	8986.11	9089	8628.769231	8725.923077	
Lead	2042	2088.5	2148.7	2174.7	2064.13	2090	2091.653846	2102.192308	
Nickel	17500	17690	18711.2109	19456.21094	17687.93	17872	17728.84615	17988.46154	
Tin	27805	28000			28463	28700	27448.46154	27602.30769	
Zinc	2467	2508	2578.06	2593.06	2485.81	2532	2478.230769	2518.692308	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	568525	0	2100	-2100	566425	217675	348750	Comex, USc/lb		
Copper	106825	150	275	-125	106700	21325	85375	MAR 24	411.45 0.05	
Lead	195000	4775	0	4775	199775	7900	191875	MAY 24	413 0.13	
Nickel	77424	288	60	228	77652	4656	72996	Shanghai, CNY/mt		
Tin	5035	75	25	50	5085	1015	4070	01-Mar	0 0.00	
Zinc	264900	5025	2725	2300	267200	61025	206175	01-Apr	73070 0.15	

Global Markets		Currencies		Precious Metals		Previous Day's Fix	
Last	% Change	Last	% Change	Last	% Change	AM	PM
DAX	17984	0.28	GBP	1.2719	-0.0786	Gold	2153.69 -0.3087
DJI	39070	0.72	JPY	150.9200	-1.1728	Silver	24.92 -0.4885
S&P500	5162	0.24	EUR	1.0862	-0.0920	Gold Comex	2178.5 -0.339
SSE	3063	-0.72	CNY	7.1994	-0.0139	Platinum	898.36 -2.1288
Hg Seng	16529	-1.24	AUD	0.6528	-0.4878	Palladium	993.22 -3.8006
Brent	87	0.48	CAD	1.3566	-0.2359		

Source: Bloomberg
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All price data is from 19.03.2024 as of 17:30

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