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WED 03 APRIL 2024 00:10

Daily Base Metals Report

US stocks opened lower today, with investor sentiment tempered by expectations surrounding central bank policies. The focus is particularly sharp on the ECB which is now expected to initiate monetary easing ahead of the Fed following the robust PMI figures for the US, contrasting with continued contraction in factory activity in the Eurozone. The market's forward swaps are currently pricing in a 60% chance of a Fed rate cut in June, compared to a 100% likelihood of an ECB cut. The dollar showed fluctuations, momentarily touching the 105 mark before falling back to 104.8. At the same time, the 10yr US Treasury yield rose, reaching 4.37%.

Aluminium prices strengthened today, propelled by a combination of factors that collectively prompted prices to breach the \$2,300/t level to \$2,380/t. A comparatively softer monetary policy outlook in Europe to the US, coupled with an ongoing drought in Yunnan affecting the resumption of idled capacity, has provided a necessary boost for aluminium as it enters its peak consumption season. There has been a disconnect between aluminium prices and macro- and fundamental-related factors, and we expect that technical levels will mostly prompt further moves. The \$2,400/t is likely to hold firm in the meantime, but there is little impetus on the downside. Copper also improved but struggled above the \$9,000/t level, closing at \$8,991/t. Lead and zinc held firm at \$2,020.50/t and \$2,479.50/t, respectively.

Precious metals saw an uptick, with gold prices holding firmly at record highs to \$2,252.5/oz and silver to \$25.7/oz. Oil prices remained at the upper end of their recent range, with WTI at \$85/bl and Brent crude at \$88.8/bl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2342	2388	2332	2380		36359	656136	-40.78	107.80
Copper	8939	9044	8929	8991		25238	308652	-103.50	407.90
Lead	2050	2055	2020	2020.5		9098	154230	-31.00	91.76
Nickel	16850	17240	16800	17030		6612	204817	-185.08	771.34
Tin	27690	28085	27665	27897		890	19278	-28.99	1263.04
Zinc	2459	2522	2447	2479.5		16164	242789	-48.45	112.56
Total:						94361	1585902		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2322.5	2363	2548.35	2644.35			2322.5	2363	
Copper	8920	9024	9035.75	9023.75			8920	9024	
Lead	2001	2035	2122.76	2148.76			2001	2035	
Nickel	17000	17100	18279.22	19004.22			17000	17100	
Tin	27845	27850					27845	27850	
Zinc	2437	2489	2551	2566			2437	2489	

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	554475	0	3075	-3075	551400	209175	342225	Comex, USc/lb		
Copper	112475	0	550	-550	111925	14150	97775	MAY 24	404.85 1.04	
Lead	272200	1725	500	1225	273425	10650	262775	JUL 24	407.95 1.00	
Nickel	77148	624	0	624	77772	8856	68916	Shanghai, CNY/mt		
Tin	4570	50	35	15	4585	605	3980	01-Apr	72920 0.28	
Zinc	270875	0	350	-350	270525	43375	227150	01-May	73100 0.38	

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	18283	-1.13	GBP	1.2575	0.1832	Gold	2259.53	0.3593	2207 2214.35
DJI	39079	-1.23	JPY	151.5200	0.0858	Silver	25.79	2.8297	2454
S&P500	5193	-0.96	EUR	1.0770	0.2513	Gold Comex	2279.9	1.010	
SSE	3075	-0.08	CNY	7.2329	-0.0290	Platinum	921.83	1.7742	
Hg Seng	16932	2.36	AUD	0.6513	0.3699	Palladium	999.34	-0.8001	
Brent	89	1.57	CAD	1.3575	-0.0368				

Source: Bloomberg
Updated: 02/04/2024 17:30

All price data is from 02.04.2024 as of 17:30

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