

## Authors

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# Daily Base Metals Report

US stocks trended lower today as the Producer Price Index (PPI) figures revealed continued inflationary pressures, with the rate climbing from 1.6% YoY in February to 2.1% in March. Additionally, data on Initial and Continuing Jobless Claims remained at near-historic lows, underscoring the resilience of the job market. Given these conditions, the likelihood of the Federal Reserve initiating monetary easing in the first half of the year seems slim. This sentiment was reflected in the 10-year US Treasury note yield trading at 4.56% and the dollar index advancing to 105.4. Meanwhile, the European Central Bank (ECB) issued a statement in line with expectations, keeping its benchmark deposit rate at 4%. ECB President Lagarde's somewhat dovish remarks led investors to anticipate a potential interest rate cut by June. In the wake of the ECB's declaration, the USDEUR exchange rate rose to 0.933, its highest since mid-February.

Base metals softened slightly today amidst the continued dollar strength. We believe that the recent upside trend reached a plateau in the meantime, with a more hawkish central bank narrative being a welcoming sign for a pause in price momentum. Still, we expect metals such as aluminium and copper to remain on the front foot over the medium term. In the meantime, aluminium held firm above \$2,400/t at \$2,454/t, while copper dipped below \$9,400/t. Zinc continued to mark new highs, as it strengthened into \$2,758.50/t; zinc concentrate tightness has helped to support price momentum. Nickel sold off below the \$18,000/t today after markets rejected prices above \$18,500/t. This prompted nickel to offset half of the gains made since the start of this month. We believe that nickel between \$17,500-18,500/t is at fair value in the meantime.

Precious metals saw an uptick, with gold prices rising to \$2,344/oz and silver to \$27.95/oz. Oil prices retraced slightly, with WTI at \$85.4/bl and Brent crude at \$89.9/bl.

All price data is from 11.04.2024 as of 17:30

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