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Daily Base Metals Report

US stocks opened higher today. March's Personal Consumption Expenditures (PCE) index, the Fed's preferred inflation gauge, reported a rise to 2.7% YoY from 2.5% YoY in February, indicating sticky inflationary pressures. This uptick helped the dollar recover from yesterday's losses, pushing it up to 105.9. Conversely, the 10-year US Treasury yield saw a slight decline from yesterday's surge, adjusting to 4.65%. Elsewhere, Tokyo's CPI for April registered at 1.8% YoY, below the anticipated 2.5%. The Bank of Japan maintained its interest rate at 0.1%, leading to a depreciation in the yen. The JPY/USD exchange rate dipped below 0.0064, marking a 34-year low. The central bank's chief signalled a cautious approach towards rate increases following the end of the negative rate policy last month—the first rate hike since 2007. He expressed a reluctance to exert excessive pressure on Japan's economy, which is estimated to have contracted in the first quarter. However, this gradual pace leaves the yen prone to further weakening, especially with the continuing repricing of the first Fed interest rate cuts.

Another day of moderate gains was seen across the base metals complex today as market appetite calms ahead of the weekend. Aluminium remains subdued under the \$2,600/t level at \$2,569.50/t, while copper retested the \$10,000/t resistance level. Likewise, lead attempted to breach the robust resistance at \$2,220/t, but markets once again struggled above this level, prompting prices to remain at \$2,207.50/t. Zinc was unchanged day-on-day, closing at \$2,844/t.

Gold prices continued their ascent, reaching \$2,341.5/oz, while silver prices remained steady at \$27.5/oz. Oil prices experienced a rebound today, with WTI climbing to \$83.7/bl and Brent reaching \$89.1/bl.

All price data is from 26.04.2024 as of 17:30

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