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# Daily Base Metals Report

US stocks opened slightly higher today, recovering from a decline at the end of the last trading day. The Leading Index, which is designed to forecast future economic activity by combining several individual indicators such as average weekly hours worked, new orders for consumer goods, building permits, and stock prices, came in at -0.6 for April, compared to -0.3 in March. Despite the negative figure, it is noteworthy that February 2024 was the only time in the last two years when the reading was above zero. The dollar index remained steady at 104.5, while the 10-year US Treasury yield edged up slightly to 4.4%. In Europe, the final CPI figures for April met expectations, with the headline CPI at 2.4% and core CPI at 2.7%, solidifying investors' expectations of the first ECB interest rate cut in June.

Base metals showed strong upward momentum once again today, led in large by copper moves. The metal jumped higher for the third straight day, surpassing the \$10,500/t level as the LME contract mirrors the moves seen on Comex. Nickel also jumped higher above the \$20,000/t level to \$21,080/t. Supply tightness caught markets off-guard, prompting sharp moves on the upside in recent days; however, there is little fundamental narrative to suggest that prices should remain at these levels. While both copper and nickel stocks at the LME exchange are diminishing, the moves are marginal, and the cash to 3-month spreads remain in deep contango, suggesting little concern about longer-term metal availability. Still, the short position holders are likely to remain key in driving prices in the coming days. Elsewhere, lead and zinc followed suit, jumping up to \$2,283.50/t and \$3,031/t, respectively.

Precious metals saw gains today, with gold appreciating to \$2,410/oz and silver surging to \$30.72/oz, marking its highest level in a decade. Silver remains relatively undervalued compared to gold, with the current gold-to-silver ratio at about 80, compared to the 20-year average of 68, suggesting potential for further silver appreciation. Oil prices were mostly unchanged, with WTI trading at \$79.4/bl and Brent at \$83.5/bl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2586	2619	2582	2612	2588	16161	654766	-49.00	118.57
Copper	10390	10713	10366	10668	10372	30887	340589	-67.00	485.53
Lead	2289	2308	2281	2283.5	2292	5357	149048	-56.50	104.06
Nickel	20045	21365	19980	21080	20045	11027	207467	-221.24	950.74
Tin	33720	34450	33600	34251	33810	346	19366	-120.00	1560.37
Zinc	2956	3039	2956	3031	2961	9071	240722	-45.02	137.44
						<b>Total:</b>	<b>72849</b>	<b>1611958</b>	

Official Prices						Monthly Avg			
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2544	2598	2723.5	2743.5	2534.34	2586.5	2515.875	2559.166667	
Copper	10398	10481	10487.1	10342.1	10343.18	10424	9954.833333	10067.33333	
Lead	2237	2287	2379.16	2399.16	2241.08	2294	2190.416667	2235.791667	
Nickel	20735	21005	20839.1406	21479.14063	19575.76	19797	18947.5	19159.58333	
Tin	34190	34300			33654	33729	32748.75	32635	
Zinc	2929	2975	2936.18	2756.18	2914.98	2960	2898.791667	2932.125	

LME Stocks (tonnes)						Other Copper Markets				
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	1093275	0	0	0	1093275	452175	641100	Comex, USc/lb		
Copper	104425	500	1275	-775	103650	11500	92150	MAY 24	496.95	0.32
Lead	217500	0	4600	-4600	212900	61050	151850	JUL 24	492.45	0.60
Nickel	81630	180	6	174	81804	5124	76680	Shanghai, CNY/mt		
Tin	4920	45	30	15	4935	150	4785	01-May	0	0.00
Zinc	259675	0	300	-300	259375	23775	235600	01-Jun	82060	0.51

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	18717	-0.12	GBP	1.2695	0.1973	Gold	2408.73	1.3408	2383.65	2377.40
DJI	39869	0.00	JPY	155.5400	-0.0964	Silver	30.70	3.7899		2967
S&P500	5298	0.02	EUR	1.0867	0.0000	Gold Comex	2413.1	1.157		
SSE	3154	1.01	CNY	7.2241	-0.0374	Platinum	1079.47	1.5389		
Hq Seng	19554	0.91	AUD	0.6681	0.0299	Palladium	1007.67	1.5285		
Brent	84	0.47	CAD	1.3610	0.0588					

Source: Bloomberg  
Updated: 17/05/2024 17:30

All price data is from 17.05.2024 as of 17:30

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