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Daily Base Metals Report

US stocks opened lower today following a disappointing performance in existing home sales, which fell to 4.14 million in April from 4.22 million the previous month. The last few months have shown that the sustained period of high interest rates has discouraged many potential homebuyers. Investors are now keenly awaiting this evening's FOMC meeting minutes to gauge the timing of the Federal Reserve's first interest rate cuts. Meanwhile, the dollar index edged higher, trading at 104.8, and the 10-year US Treasury yield remained mostly unchanged at 4.4%. In the UK, the Consumer Price Index (CPI) exceeded expectations, with the headline CPI rising 2.3% YoY and the core CPI climbing 3.9% YoY. This higher-than-anticipated inflation led investors to adjust their projections for the Bank of England's first interest rate cut, now expected in September. This anticipated divergence from the European Central Bank (ECB) caused the euro to depreciate against the sterling, with the GBP/EUR pair trading just below 1.175.

Prices experienced downward pressure in the LME space today. Aluminium surrendered most of its gains from the previous day, trading at \$2,637/t, while copper dropped below \$10,500/t, settling at \$10,450/t. Nickel also saw a decline, trading at \$20,460/t. Lead moved upwards, trading at \$2,343/t, while zinc fell to \$3,065/t.

Precious metals followed the trend of base metals, with gold decreasing to \$2,390/oz and silver dropping to \$31.34/oz. Oil prices remained relatively flat, with WTI and Brent trading at \$78.1/bl and \$82.3/bl, respectively.

All price data is from 22.05.2024 as of 17:30

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