



## Authors

Daria Efanova  
Head of Research

---

THU 30 MAY 2024 00:10

# Daily Base Metals Report

US stocks opened lower today. MBA Mortgage Applications, a weekly measure of nationwide home loan requests, fell by 5.7% for the week ending May 24th. Despite the prolonged period of high interest rates deterring many potential homebuyers, the US economy remains robust enough for the Federal Reserve to delay monetary easing until the fourth quarter of 2024. The recent comments from the policymakers highlight the importance of bringing inflation closer to the 2% target level before proceeding with monetary easing. Forward swaps are currently pricing in the first interest rate cut in November. The dollar index rose today, trading just below 105.0, while the 10-year US Treasury yield increased to 4.6%.

Today's trading on the LME exchange was moderately quiet. Copper continued to fluctuate around the \$10,500/t level as the tightness eased in the market, offering investors a clearer view of potential future price outlook. We believe that, although prices are likely to remain high in the medium term due to underlying fundamental factors, we might see a slight correction soon to ease some of the recent market upside that took place in recent months. Lead and zinc followed suit, softening into \$2,319.50/t and \$3,103/t, respectively. Meanwhile, aluminium's price has surged to \$2,767.50/t, hitting a 2-year peak, propelled by the strength in alumina prices.

A stronger dollar and rising Treasury yields created headwinds for gold, causing the precious metal to decline to \$2,342/oz. Silver remained mostly unchanged, hovering around the \$32/oz level. Oil prices fluctuated, with WTI at \$79.5/bbl and Brent crude at \$83.8/bbl.

|               | Open  | High  | Low   | 5pm Close | PDC   | Volume       | Total O.I      | Spreads | Conversion |
|---------------|-------|-------|-------|-----------|-------|--------------|----------------|---------|------------|
|               |       |       |       |           |       |              |                | C-3M    | USc/lb     |
| Aluminium     | 2732  | 2778  | 2724  | 2767.5    | 2732  | 23695        | 654092         | -43.75  | 125.65     |
| Copper        | 10540 | 10604 | 10387 | 10456.5   | 10534 | 18448        | 346643         | -135.00 | 473.99     |
| Lead          | 2337  | 2357  | 2302  | 2319.5    | 2336  | 5463         | 150907         | -55.89  | 104.96     |
| Nickel        | 20465 | 20750 | 20320 | 20490     | 20495 | 4434         | 204018         | -249.28 | 930.33     |
| Tin           | 33955 | 34385 | 33600 | 34109     | 34095 | 535          | 19237          | -220.00 | 1545.86    |
| Zinc          | 3120  | 3150  | 3097  | 3103      | 3119  | 8332         | 241197         | -61.72  | 140.75     |
| <b>Total:</b> |       |       |       |           |       | <b>60907</b> | <b>1616094</b> |         |            |

#### Official Prices

|           | Cash  | 3m    | Dec Yr 1 | Dec Yr 2 | PD Cash  | PD 3M   | Monthly Avg | 3M          |
|-----------|-------|-------|----------|----------|----------|---------|-------------|-------------|
| Aluminium | 2695  | 2741  | 2839.05  | 2819.05  | 2683.56  | 2729.5  | 2554.026316 | 2600.368421 |
| Copper    | 10294 | 10430 | 10515    | 10468.87 | 10380.76 | 10501.5 | 10142.57895 | 10256.28947 |
| Lead      | 2260  | 2318  | 2405.27  | 2421.27  | 2287.61  | 2343.5  | 2219.789474 | 2268.052632 |
| Nickel    | 20255 | 20570 | 21510.6  | 22210.6  | 20217.72 | 20467   | 19490.52632 | 19740       |
| Tin       | 33955 | 34100 |          |          | 33724.18 | 33928   | 33145.78947 | 33134.73684 |
| Zinc      | 3060  | 3118  | 3066.41  | 2816.41  | 3038.28  | 3100    | 2952.105263 | 2991.342105 |

#### LME Stocks (tonnes)

|           | Opening | In   | Out  | Net Change | Closing | C-warrants | Open Tonnage | Other Copper Markets | Last   | % Change |
|-----------|---------|------|------|------------|---------|------------|--------------|----------------------|--------|----------|
| Aluminium | 1121500 | 1875 | 3325 | -1450      | 1120050 | 466475     | 653575       | Comex, USc/lb        |        |          |
| Copper    | 114750  | 5250 | 2700 | 2550       | 117300  | 10325      | 106975       | MAY 24               | 487.55 | 2.03     |
| Lead      | 195225  | 300  | 5275 | -4975      | 190250  | 39050      | 151200       | JUL 24               | 485.5  | 2.14     |
| Nickel    | 83730   | 0    | 96   | -96        | 83634   | 4704       | 78930        | Shanghai, CNY/mt     |        |          |
| Tin       | 4970    | 0    | 30   | -30        | 4940    | 285        | 4655         | 01-Jun               | 84590  | 0.08     |
| Zinc      | 257200  | 0    | 3475 | -3475      | 253725  | 30350      | 223375       | 01-Jul               | 84910  | 0.19     |

#### Global Markets

| Global Markets |          | Currencies |          | Precious Metals |          | Previous Day's Fix |         |         |        |         |
|----------------|----------|------------|----------|-----------------|----------|--------------------|---------|---------|--------|---------|
| Last           | % Change | Last       | % Change | Last            | % Change | AM                 | PM      |         |        |         |
| DAX            | 18477    | -1.08      | GBP      | 1.2709          | -0.4153  | Gold               | 2338.54 | -0.9643 | 2344.7 | 2350.65 |
| DJI            | 38510    | -0.88      | JPY      | 157.5600        | -0.2475  | Silver             | 32.01   | -0.2903 |        | 3155.5  |
| S&P500         | 5270     | -0.67      | EUR      | 1.0811          | -0.4237  | Gold Comex         | 2361.2  | -0.761  |        |         |
| SSE            | 3111     | 0.05       | CNY      | 7.2495          | -0.0703  | Platinum           | 1040.63 | -2.1882 |        |         |
| Hg Seng        | 18477    | -1.83      | AUD      | 0.6617          | -0.4962  | Palladium          | 963.32  | -2.2348 |        |         |
| Brent          | 84       | -0.62      | CAD      | 1.3706          | -0.4378  |                    |         |         |        |         |

Source: Bloomberg  
Updated: 29/05/2024 17:30

All price data is from 29.05.2024 as of 17:30

#### Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers ([www.sucdenfinancial.com/en/risk-warning-and-disclaimers](http://www.sucdenfinancial.com/en/risk-warning-and-disclaimers)).