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Daily Base Metals Report

US stocks opened lower today following labour market data that showed continued resilience in May. Nonfarm payrolls increased significantly more than expected, reaching 272k compared to 167k in April. Forward swaps now indicate that the Federal Reserve is likely to start cutting rates by November, postponing the previously expected September move. Both the dollar index and 10-year US Treasury yield jumped on the release of the data, trading at 104.8 and 4.4%, respectively.

As we close this week's trading sessions, copper continues to play a pivotal role in shaping our expectations for the base metals complex. Metals started the day on a cautious note, with copper edging back below the \$10,000/t level and found support at \$9,950/t. However, stronger-than-expected US jobs data led to a rally in the dollar, prompting a stronger correction on the downside. The metal closed at \$9,763/t. Likewise, aluminium broke below \$2,600/t – a robust support level. Lead and zinc faced protracted selling pressures to \$2,199.50/t and \$2,767/t. Looking ahead, we expect markets to edge marginally lower before finding support. We believe these support levels will be pivotal in driving the future price narrative.

A stronger dollar and rising Treasury yields acted as headwinds for precious metals today. Gold plunged to \$2,310/oz, its lowest level since early May, while silver gave back gains from the last two days, standing at \$29.5/oz. Oil continued its upward trend, with WTI and Brent crude trading at \$76/bbl and \$80/bbl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2649	2659	2568	2578	2648	19474	666435	-52.57	116.82
Copper	10135	10186	9756	9762.5	10146	18118	333308	-116.00	443.39
Lead	2240	2250	2193	2199.5	2239	5554	149387	-52.50	99.52
Nickel	18570	18690	17990	18031	18565	6588	201414	-240.60	817.16
Tin	32395	32685	31100	31452	32350	457	19378	-325.00	1422.48
Zinc	2911	2930	2756	2767	2918	12412	239357	-49.00	125.69
Total:						62603	1609279		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2578.5	2629	2754.71	2776.21	2594.5	2647.5		2594.1	2642
Copper	9840	9955	10244.67	10144.67	10036.51	10149		9876.6	9997.2
Lead	2179	2226.5	2309.49	2325.49	2188.1	2241.5		2194.4	2247.3
Nickel	17950	18210	19101	19755	18301.62	18531		18529	18793
Tin	32105	32420			31888	32198		31996	32244
Zinc	2834	2892	2918.54	2741.54	2852.11	2910		2859.5	2915.6

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	1107500	0	4000	-4000	1103500	520125	583375	Comex, USc/lb	
Copper	122200	1950	350	1600	123800	5650	118150	JUL 24	1.56
Lead	182550	4575	1800	2775	185325	35200	150125	SEP 24	1.88
Nickel	84756	1002	156	846	85602	4200	81402	Shanghai, CNY/mt	
Tin	4815	0	5	-5	4810	325	4485	01-Jun	0.47
Zinc	260775	1425	1375	50	260825	22250	238575	01-Jul	1.03

Other Copper Markets

Global Markets

	Last	% Change	Currencies	Last	% Change	Precious Metals	Last	% Change	Previous Day's Fix	AM	PM
DAX	18554	-0.53	GBP	1.2719	-0.5629	Gold	2308.81	-2.8303		2360.85	2360.60
DJI	38946	0.15	JPY	156.6400	-0.6576	Silver	29.38	-6.1995			3029.5
S&P500	5355	0.03	EUR	1.0805	-0.7805	Gold Comex	2326.6	-2.689			
SSE	3051	0.08	CNY	7.2467	-0.0235	Platinum	968.45	-3.8588			
Hg Seng	18367	-0.59	AUD	0.6581	-1.2751	Palladium	910.06	-2.4744			
Brent	80	-0.20	CAD	1.3757	-0.6324						

Source: Bloomberg
Updated: 07/06/2024 17:30

All price data is from 07.06.2024 as of 17:30

Risk warning

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