Sucden Financial

Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

TUE 22 OCTOBER 2024 00:10

Daily Base Metals Report

US stocks opened lower today, following last week's rally that marked the longest weekly gain of the year. The 10-year US Treasury yield surged, nearing 4.16%, as signs of robust economic performance and softening inflation have led markets to believe the Fed may not need to ease monetary policy as aggressively as previously expected. After last Friday's losses, the dollar index rebounded, rising to 103.8. This week, all eyes are on the upcoming S&P Global Manufacturing PMI data, which will provide insights into factory activity across major economies and help investors assess the strength of the industrial sector globally.

The base metals market followed a similar pattern to last week, with an initial boost in confidence due to China's support measures followed by a decline in the second half of the day. On Monday, Chinese banks lowered their benchmark lending rates following the easing by the PBoC at the end of September. We expect that more easing measures will follow in the coming months. Still, these moves underscore investor scepticism regarding the near-term recovery in the region's construction segment. The complex has not priced in any geopolitical or political risks, thereby placing greater emphasis on China and the decisions its government will make in the coming weeks. In the meantime, aluminium and copper remained largely unchanged day-on-day, at $2,595/t and $9,559/t, respectively. Nickel and tin continued to soften to their averages, closing at $16,705/t and $31,016/t.

Despite the stronger dollar and rising Treasury yields, precious metals managed to advance. Gold set new record highs, climbing to $2,725/oz, while silver briefly rose above $34/oz before settling at $33.7/oz. Oil prices edged up, with WTI and Brent crude trading at $69.9/bbl and $73.7/bbl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2616	2657	2592	2595	2614	16835	651040	-35.00	117.71
Copper	9646	9758	9550	9559	9623	16459	275938	-133.00	433.73
Lead	2066	2086	2066	2056.5	2070	3117	148182	-38.00	93.74
Nickel	17030	17135	16650	16705	17000	5043	207505	-255.00	756.37
Tin	31550	31640	30980	31016	31300	496	19397	-270.00	1407.06
Zinc	3091	3145	3063	3075.5	3089	9685	252475	13.68	139.39
					Total:	51635	1554537		

Official Prices / **Monthly Avg**

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash	Monthly Avg 3M
Aluminium	2582.5	2617.5	2696.74	2746.74	2578.59	2612	2587.833333	2606
Copper	9592.5	9717	9941.15	10080.4	9503.03	9625.5	9608.933333	9750.2
Lead	2035	2075	2179.46	2219.46	2034	2072	2052.666667	2097.466667
Nickel	16715	17025	17616.28	18291.28	16643.45	16897	17307.33333	17582.33333
Tin	31395	31600			31063	31313	32808.66667	32900
Zinc	3123	3115	3069.57	2913.32	3103.18	3089.5	3080.8	3097.7

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage
Aluminium	760350	0	2500	-2500	757850	355225	402625
Copper	284200	0	2000	-2000	282200	20175	262025
Lead	194475	0	1100	-1100	193375	9450	183925
Nickel	134370	492	270	222	134592	10224	124368
Tin	4770	15	25	-10	4760	245	4515
Zinc	239025	0	1850	-1850	237175	28050	209125

Other Copper Markets

	Last	% Change
Comex, USc/lb		
DEC 24	438.45	1.38
MAR 25	443.3	1.41
Shanghai, CNY/mt		
01-Nov	77350	0.95
01-Dec	77410	1.02

Global Markets

	Last	% Change
DAX	19464	-0.98
DJI	42892	-0.89
S&P500	5829	-0.61
SSE	3268	0.20
Hg Seng	20478	-1.57
Brent	74	1.05

Currencies

	Last	% Change
GBP	1.2984	-0.5210
JPY	150.3400	-0.5388
EUR	1.0825	-0.3865
CNY	7.1196	-0.2430
AUD	0.6657	-0.7307
CAD	1.3846	-0.3394

Precious Metals

	Last	% Change
Gold	2723.78	0.0852
Silver	33.70	-0.0392
Gold Comex	2738.3	0.304
Platinum	1010.63	-0.4609
Palladium	1052.75	-2.8909

Previous Day's Fix

AM	PM
2711.6	2712.50
	3212.5

Source: Bloomberg
Updated: 21/10/2024 17:30

All price data is from 21.10.2024 as of 17:30

Risk warning