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Daily Base Metals Report

US stocks opened higher today, with the S&P 500 reaching record highs and approaching the 6,100 mark. The index has surged 28% year-to-date, driven by a robust economic backdrop and resilient corporate earnings. November's Nonfarm Payrolls exceeded expectations, rising by 227k compared to a modest 12k in October, although the unemployment rate edged up to 4.2% from 4.1%. The slight increase in unemployment has reinforced expectations of a 25bps rate cut at the Federal Reserve's meeting next week, with forward swaps now pricing in a 90% probability, up from 70% just yesterday. This pushed the 10-year US Treasury yield down to 4.15%, its lowest level since mid-October. Meanwhile, the University of Michigan's preliminary sentiment reading climbed to 74.0, its highest level since April, signalling improving consumer confidence alongside rising inflation expectations. Anticipated inflationary pressures from Trump's proposed tariffs continue to support the dollar, with the dollar index holding steady above the 106.0 level.

The base metals complex showed mixed sentiment at the close of the week. Copper continued to fluctuate around the \$9,100/t level, maintaining its range from recent weeks. In contrast, aluminium weakened, but remained above the \$2,600/t mark, closing at \$2,603.50/t. Lead and zinc were also softer, falling to \$2,071.50/t and \$3,071.50/t, respectively. Although the market experienced weakness today, the movements were marginal, indicating a decreasing risk appetite among investors, which is likely to keep prices within current ranges as the year-end approaches. Additionally, the cash to three-month spreads are all in contango, suggesting that there are no expectations for market tightness in the near term.

The strong dollar continues to weigh on precious metals. Gold remained subdued, edging only slightly higher to \$2,638/oz, while silver slipped to \$31.10/oz. In energy markets, oil prices declined, with WTI at \$67.00/bbl and Brent crude at \$70.80/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2633	2638	2584	2603.5	2638	16839	692788	-28.27	118.12
Copper	9080	9179	9063	9122.5	9090	14899	272353	-109.01	413.68
Lead	2092	2103	2068	2071.5	2098	4479	134139	-26.99	94.12
Nickel	15970	16125	15970	16047	15925	3957	227327	-222.48	728.70
Tin	29200	29400	28990	29151	29245	395	20785	-217.00	1322.24
Zinc	3111	3131	3053	3071.5	3108	9739	244815	-19.36	139.25
					Total:	50308	1592207		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2555	2592.5	2674.88	2694.88	2610.73	2639	2580	2608
Copper	9040	9149	9318.5	9460.5	8961.83	9074.5	8954	9070.2
Lead	2071.5	2097	2168.11	2202.11	2074.37	2098.5	2052.5	2081.4
Nickel	15800	16060	16756.5195	17556.51953	15754.72	15974	15720	15961
Tin	28955	29200			28959	29165	28614	28911
Zinc	3062	3091	3114.08	2993.08	3099.14	3118.5	3080.5	3094.1

LME Stocks (tonnes)						Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	687125	0	2525	-2525	684600	302475	382125	Comex, USc/lb	
Copper	270525	0	725	-725	269800	10800	259000	DEC 24	413.5 -0.17
Lead	271375	0	0	0	271375	35950	235425	MAR 25	419.25 -0.21
Nickel	165384	0	120	-120	165264	22272	142992	Shanghai, CNY/mt	
Tin	4740	0	30	-30	4710	270	4440	01-Dec	74560 0.12
Zinc	277800	1125	75	1050	278850	106675	172175	01-Jan	74540 0.05

Global Markets		Currencies		Precious Metals		Previous Day's Fix			
Last	% Change	Last	% Change	Last	% Change	AM	PM		
DAX	20386	0.13	GBP	1.2750	-0.0705	Gold	2639.54	0.299	2649.15
DJI	44736	-0.07	JPY	149.7400	0.2404	Silver	31.21	-0.3274	3134.5
S&P500	6090	0.25	EUR	1.0568	-0.1700	Gold Comex	2661.4	0.491	
SSE	3404	1.05	CNY	7.2717	-0.1774	Platinum	935.18	-0.5868	
Hq Seng	19866	1.56	AUD	0.6390	-0.9763	Palladium	970.68	0.3349	
Brent	71	-1.25	CAD	1.4144	-0.8555				

Source: Bloomberg
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All price data is from 06.12.2024 as of 17:30

Risk warning

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