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Daily Base Metals Report

US stocks started the day on a positive note following a sell-off in the dollar, which was triggered by retail sales data indicating a more significant-than-anticipated drop in consumer spending for the month. Although spending trends tend to vary seasonally, with February often experiencing a dip following a robust January, the recent retail sales figures prompted investors to offload the overbought dollar from Monday. The dollar index declined to 104.40, while the 10-year US treasury yield edged lower to 4.23%. We expect the greenback to depreciate further in the coming days and stabilise around the 104.0 level. Elsewhere, the UK GDP print pointed to a stronger-than-expected contraction in economic activity, with the Q4 figure at -0.2% YoY compared to 0.3% recorded in the previous quarter. While the economy has entered a technical recession, persistently elevated inflation leads investors to stick to their expectations of no interest rate cuts before H2 2024.

Base metals performance was a mixed bag once again, with prices that deviated outside of the trading range in recent days now seen coming back in line with the mean. In particular, mean reversion and a softer dollar prompted copper prices to jump back above the \$8,300/t level; we expect prices to edge higher to the \$8,380-8,400/t area as prices equalise. Likewise, lead and zinc are now edging higher following the recent sell-off, breaking above the recent resistance at \$2,050/t and \$2,350/t, respectively. Aluminium remained rangebound at \$2,226/t, and nickel struggled above the \$16,500/t level.

The softening dollar provided a boost to precious metals, causing gold to climb above \$2,000/oz once again. Silver, mirroring gold's performance, surged to approach the \$23/oz mark. Despite the International Energy Agency's forecasts of a surplus in 2024, oil prices remained unaffected. Both WTI and Brent crude saw gains, reaching \$77.9/bl and \$82.7/bl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2240	2245	2218	2224.5	2237	13712	715887	-25.84	100.86
Copper	8211	8320	8208	8314	8201	13346	295882	-91.50	377.05
Lead	2025	2060	2025	2042	2022	6177	161063	15.50	92.78
Nickel	16330	16590	16220	16258	16320	3558	197275	-251.50	737.78
Tin	27370	27525	27185	27293	27265	348	17709	-193.00	1237.64
Zinc	2312	2362	2312	2354.5	2314	8106	245131	-23.75	106.73
				Total:		45247	1632947		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2205	2226	2447	2547	2210.32	2235.5	2197.409091	2228.863636	
Copper	8153	8255	8335.5	8360.5	8097	8197	8234.272727	8340.090909	
Lead	2057	2046	2068.5	2101.5	2030.67	2016	2088.772727	2082.090909	
Nickel	16240	16525	17710.5	18485.5	16089.5	16346	15886.81818	16160	
Tin	27275	27550			27285	27465	26040.90909	26290.90909	
Zinc	2321.5	2348	2381.85	2401.85	2288.75	2312.5	2370.272727	2384.318182	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	525100	15125	2150	12975	538075	198600	339475	Comex, USc/lb		
Copper	133825	0	1300	-1300	132525	21425	111100	MAR 24	372.4 1.15	
Lead	168725	6300	1950	4350	173075	20950	152125	MAY 24	374.4 1.13	
Nickel	71970	0	426	-426	71544	5202	66342	Shanghai, CNY/mt		
Tin	6215	0	60	-60	6155	995	5160	23-Mar	0 0.00	
Zinc	254825	5000	0	5000	259825	30475	229350	01-Apr	0 0.00	

Global Markets		Currencies		Precious Metals		Previous Day's Fix			
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	17047	0.60	GBP	1.2577	0.0875	Gold	1999.10	0.3398	1990.8 1985.10
DJI	38617	0.50	JPY	150.2200	0.2396	Silver	22.81	1.9444	2208.5
S&P500	5006	0.12	EUR	1.0758	0.2890	Gold Comex	2010.6	0.314	
SSE	2866	1.28	CNY	7.1936	0.0431	Platinum	899.12	0.7124	
Hg Seng	15945	0.41	AUD	0.6507	0.2465	Palladium	952.86	1.7035	
Brent	83	1.84	CAD	1.3499	0.3334				

Source: Bloomberg
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All price data is from 15.02.2024 as of 17:30

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