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Daily Base Metals Report

US stocks opened lower today, influenced by the release of the Producer Price Index (PPI), which exceeded expectations, propelling the dollar to approach the 104.6 mark. The PPI eased to 0.9% YoY in January, down from 1.0% YoY in the previous month, against the anticipated 0.6% YoY figure. This unexpected rise in the prices that domestic producers receive for their goods indicates potential persistence in inflationary pressures. Consequently, investors have adjusted their forecasts for the initiation of monetary policy easing, now estimating a 61.5% likelihood of a rate reduction in June. This recalibration led to a rise in the 10-year US Treasury yield, which neared 4.32%. In the UK, retail sales data revealed the fastest growth since April 2021 in January, with a 3.4% MoM increase as consumers flocked back to stores following a dip before Christmas. All sectors, except for clothing stores, saw a rise in sales volumes.

A combination of strong production inflation readings and hopes of economic recovery from China prompted base metals to be higher today. In particular, copper rallied above \$8,400/t, influenced by these factors, and thin liquidity in the absence of Chinese markets caused the metal to trade at \$8,488/t. These gains do not look sustainable, but we expect prices to be supported above \$8,400/t in the near term. Lead and zinc also responded positively as prices edged back to their averages. Aluminium was barely unchanged once again.

Precious metals continued to build on the previous day's momentum, with gold and silver climbing to \$2006.1/oz and \$23.12/oz, respectively. Meanwhile, oil prices experienced fluctuations before stabilizing; WTI stood at \$78.1/bl, and Brent Crude traded at \$82.7/bl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2220	2239	2214	2218	2224	17005	713592	-19.38	100.68
Copper	8315	8496	8315	8489	8323	21859	294370	-80.00	384.70
Lead	2050	2074	2039	2064	2048	5709	155508	12.57	93.58
Nickel	16250	16465	16230	16356	16210	2675	195593	-243.25	742.77
Tin	27310	27395	26865	26970	27310	697	17789	-192.00	1222.67
Zinc	2358	2390	2353	2385	2365	8993	245511	-27.70	108.09
Total:						56938	1622363		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2203	2232	2437.99	2527.99	2198.66	2224.5	2197.875	2229.125
Copper	8322	8410	8437	8457	8223	8314	8241.583333	8345.916667
Lead	2062	2055	2096.51	2129.51	2054.57	2042	2086.541667	2079.833333
Nickel	16090	16450	17818.5	18599.5	16006.5	16258	15903.75	16184.16667
Tin	26950	27105			27100	27293	26116.66667	26358.75
Zinc	2342	2370	2448.5	2468.5	2331.65	2354.5	2367.916667	2383.125

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	538075	0	3150	-3150	534925	195450	339475	Comex, USc/lb	
Copper	132525	0	1850	-1850	130675	23575	107100	MAR 24	375.8 1.57
Lead	173075	6000	1500	4500	177575	20100	157475	MAY 24	377.25 1.47
Nickel	71544	0	0	0	71544	5226	66318	Shanghai, CNY/mt	
Tin	6155	20	225	-205	5950	825	5125	23-Mar	0 0.00
Zinc	259825	5225	225	5000	264825	30300	234525	01-Apr	0 0.00

Global Markets			Currencies			Precious Metals			Previous Day's Fix
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	17117	0.42	GBP	1.2586	-0.1111	Gold	2009.03	0.231	1996.9 2004.05
DJI	38771	0.00	JPY	150.3600	-0.2860	Silver	23.30	1.6371	2262.5
S&P500	5032	0.05	EUR	1.0767	-0.0464	Gold Comex	2020.9	0.298	
SSE	2866	1.28	CNY	7.1936	0.0431	Platinum	904.93	0.4596	
Hg Seng	16340	2.48	AUD	0.6530	0.0766	Palladium	960.01	0.4384	
Brent	83	0.46	CAD	1.3484	-0.1409				

Source: Bloomberg
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All price data is from 16.02.2024 as of 17:30

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