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Daily Base Metals Report

US stocks started March with marginal moves after a robust February. Investors are still focussed on the central bank moves in the coming months, and the Fed's speakers are likely to guide the macroeconomic momentum in the near term. In the meantime, US consumer confidence edged lower in February for the first time in three months as expectations about the economy deteriorated. Likewise, factory activity shrank last month as orders, production, and employment contracted. Recent data across the board prompted investors to discount some of the possible rate cuts that were expected at the start of this year. However, a survey of economists suggested that the ECB cutting rates later than expected would be more damaging than doing it prematurely. Hence, we expect the start of the cutting cycle to take place in Q2 2024, as policymakers undo the harm that might have been caused by the hiking cycle.

Metals trading was mostly rangebound this week, as macroeconomic releases had little impact on pricing. Instead, prices continue to be technically driven, with some downward pressures felt by the dollar. We believe that markets are cautious to push the narrative out of the current ranges. However, a move outside these levels can exacerbate price moves as investors benefit from the volatility. As a result, today's moves have been marginal. Aluminium and copper held their nerve at \$2,245/t and \$8,503.50/t. Lead continued to soften, erasing some of the gains made in the last couple of weeks of February. Likewise, nickel breached the \$17,500/t level earlier in the day; however, it struggled to hold these levels and returned to \$17,662/t.

Oil futures rallied today on continued signs of a tighter physical market, as OPEC+ members are to discuss the possibility of additional supply cuts earlier this month. WTI and Brent are now trading at November highs of \$80/bl and \$83/bl, respectively. Gold rallied after the markets digested the inflation news, keeping interest rate cuts on the table, prompting gold to jump above \$2,050/oz; silver traded at \$22.96/oz.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2225	2249	2208	2245	2225	22566	684040	-39.50	101.65
Copper	8485	8532	8428	8503.5	8479	14971	284889	-86.00	386.03
Lead	2063	2071	2040	2034.5	2065	6280	149960	-1.25	92.76
Nickel	17830	17880	17200	17662	17840	7470	195595	-220.50	801.28
Tin	26590	26590	26370	26489	26480	312	19059	-170.00	1198.86
Zinc	2423	2429	2401	2417	2424	8914	234200	-47.25	109.66
Total:						60513	1567743		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2183.5	2222	2442.77	2532.77	2186.74	2228	2183.5	2222	
Copper	8394	8479	8567	8537	8401.5	8493.5	8394	8479	
Lead	2052.5	2060	2114.18	2147.18	2057.75	2059	2052.5	2060	
Nickel	17175	17450	19047	19807	17669.5	17896	17175	17450	
Tin	26150	26400			26364.6	26556	26150	26400	
Zinc	2362.5	2408	2497	2517	2381.75	2426	2362.5	2408	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	589650	500	1075	-575	589075	232775	356300	Comex, USc/lb		
Copper	122675	0	1300	-1300	121375	17550	103825	MAR 24	382.75 -0.01	
Lead	181225	0	1975	-1975	179250	12950	166300	MAY 24	384.05 -0.26	
Nickel	72630	1374	216	1158	73788	3924	69864	Shanghai, CNY/mt		
Tin	5910	15	245	-230	5680	960	4720	23-Mar	68740 -0.09	
Zinc	276100	0	150	-150	275950	41575	234375	01-Apr	68790 -0.12	

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	17735	0.32	GBP	1.2647	0.1743	Gold	2079.50	1.7219	2032.8	2048.05
DJI	39013	0.04	JPY	150.1900	-0.1398	Silver	23.11	1.9179		2234
S&P500	5117	0.41	EUR	1.0832	0.2499	Gold Comex	2088.2	1.630		
SSE	3027	0.39	CNY	7.1968	-0.1139	Platinum	884.87	0.5226		
Hg Seng	16589	0.47	AUD	0.6529	0.4925	Palladium	957.95	1.183		
Brent	84	2.75	CAD	1.3552	0.1992					

Source: Bloomberg
Updated: 01/03/2024 17:30

All price data is from 01.03.2024 as of 17:30

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