



Authors

Daria Efanova
Head of Research

TUE 05 MARCH 2024 00:10

Daily Base Metals Report

US stocks opened lower today, following a remarkably strong performance last Friday that saw the Nasdaq Composite reach an all-time high and the S&P 500 close above 5100 for the first time. Last week's weaker-than-expected US economic data heightened investor expectations for a rate cut in June, with forward swaps now indicating a 74% likelihood of a mid-year reduction. The 10-year US Treasury yield has seen a slight rebound since last Friday, currently trading at 4.23%, while the dollar index has remained stable, hovering around the 103.85 mark. Investors are keenly awaiting the ECB's statement on Thursday to discern any indications of the onset of monetary easing. The USDEUR pair continues to fluctuate within the narrow range of 0.922 to 0.926.

This week, there will be plenty of macroeconomic releases and central bank speakers, but we don't expect this data to change the momentum in base metals trading. Volatility could increase due to fluctuations in the dollar. In the meantime, Friday's sentiment trickled into today's performance: aluminium held firm at \$2,234/t. Copper ticked up higher, supported in part by diminishing stocks on the LME, prompting copper to close at \$8,542.50/t. Nickel held above the \$17,500/t level after markets once again rejected prices below this level. Lead continued to be technically driven, falling for the 6th consecutive day to \$2,030/t.

Precious metals have kicked off the week strongly, building on last Friday's momentum that was fuelled by softer US data, with gold appreciating to \$2,101.7/oz and silver climbing to \$23.5/oz. However, with gold entering the overbought territory, we expect a downward correction, potentially bringing the bullion back to around \$2,050/oz. Oil prices remain at historically elevated levels following OPEC+ members' decision to extend voluntary production cuts for an additional three months in an effort to bolster prices, which have been dampened by a weaker global outlook. WTI crude is currently trading at \$79.5/bl, with Brent crude at \$83.4/bl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2235	2242	2217	2234	2236	14804	683921	-41.50	101.40
Copper	8519	8574	8480	8542.5	8522	13014	285552	-90.00	387.46
Lead	2040	2049	2031	2052.5	2038	4639	149278	-8.75	92.40
Nickel	17670	17960	17435	17945	17755	5192	198153	-231.50	811.03
Tin	26390	27000	26365	26833	26415	777	19104	-128.00	1216.32
Zinc	2423	2465	2412	2449	2433	8558	233517	-44.17	111.02
					Total:	46984	1569525		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2182.5	2226	2456.61	2549.61	2206.85	2245	2183	2224
Copper	8437	8530	8589.5	8555.51	8416	8503.5	8415.5	8504.5
Lead	2028	2042	2087.07	2120.07	2026.01	2034.5	2040.25	2051
Nickel	17575	17825	19309	20079	17441.5	17662	17375	17637.5
Tin	26600	26825			26319	26489	26375	26612.5
Zinc	2393	2438	2510.15	2530.15	2372.51	2417	2377.75	2423

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	589075	0	2475	-2475	586600	230125	356475	Comex, USc/lb		
Copper	121375	0	4600	-4600	116775	13725	103050	MAR 24	382.75 -0.01	
Lead	179250	5650	1800	3850	183100	11150	171950	MAY 24	384.05 -0.26	
Nickel	73788	222	18	204	73992	3906	70086	Shanghai, CNY/mt		
Tin	5680	0	40	-40	5640	995	4645	23-Mar	68740 -0.09	
Zinc	275950	0	150	-150	275800	43500	232300	01-Apr	68790 -0.12	

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	17717	-0.10	GBP	1.2696	0.3240	Gold	2118.65	1.7154	2050.3	2049.80
DJI	38997	-0.23	JPY	150.4800	-0.2392	Silver	23.80	2.9096		2272
S&P500	5133	-0.09	EUR	1.0859	0.2030	Gold Comex	2127.1	1.498		
SSE	3039	0.41	CNY	7.1988	-0.0278	Platinum	901.22	1.459		
Hg Seng	16596	0.04	AUD	0.6520	-0.1072	Palladium	953.8	-0.4426		
Brent	83	-0.44	CAD	1.3563	-0.0147					

Source: Bloomberg
Updated: 04/03/2024 17:30

All price data is from 04.03.2024 as of 17:30

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).