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Daily Base Metals Report

US stocks experienced a modest drop at the opening today following Federal Reserve Chair Jerome Powell's testimony before the House of Representatives. Powell maintained a cautious tone in his address, emphasising the importance of sufficient data confirming a decline in inflation prior to considering the initiation of monetary easing. Despite the consistency in the message from the most recent Fed meeting, investors interpreted Powell's remarks as an indication that the onset of monetary easing might be nearing. This perception led to a decrease in 10-year US Treasury yields, which fell to 4.11%. The dollar index also saw a decline, dropping to 103.3%. Investors are keenly awaiting the ECB's statement tomorrow to discern any indications of the onset of monetary easing in the Eurozone.

Base metals have experienced a moderate upside following a more dovish market perception from Powell's notes today. The metals space has been disincentivised to macroeconomic data, and today's appetite has been limited in comparison to other asset classes. Instead, as we have mentioned in previous comments, a technical mean-reversion strategy remains more prominent in guiding the narrative, particularly when prices break out of the current trading ranges. Copper jumped higher, although it struggled above the near-term resistance level of \$8,600/t. Aluminium moves were more subdued, keeping firm at \$2,235/t. Lead and zinc strengthened to \$2,065.50/t and \$2,494.50/t, respectively. Nickel edged lower, but the support at \$17,500/t was kept intact.

Optimism about the potential onset of monetary easing bolstered the prices of precious metals today. Gold soared to an all-time high, nearing \$2,150/oz, and silver climbed to \$24.2/oz. In the oil sector, a positive market mood contributed to strong performances, with prices hitting the higher spectrum of their trading range. WTI crude exceeded the \$80/bl threshold, while Brent crude approached \$84/bl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2227	2244	2221	2235	2227	14408	681518	-44.04	101.27
Copper	8484	8590	8484	8577	8489	16872	282347	-94.50	388.96
Lead	2051	2077	2046	2065.5	2055	5362	150876	-10.50	93.71
Nickel	17675	17735	17490	17717	17645	5114	208027	-228.00	800.83
Tin	26780	27280	26670	27192	26850	509	19172	-180.00	1232.65
Zinc	2447	2497	2447	2494.5	2454	12180	232343	-37.00	113.06
					Total:	54445	1574283		

	Official Prices				Monthly Avg			
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2187.5	2231	2444.89	2535.89	2186.36	2228.5	2186.25	2228.25
Copper	8441	8537	8679.75	8557.25	8400.75	8491.5	8425.375	8517.25
Lead	2060	2063.5	2103.89	2135.89	2035.79	2046.5	2040.875	2050.875
Nickel	17475	17700	19072.5	19812.5	17525.75	17759	17456.25	17711.25
Tin	27050	27110			26680.5	26824	26575	26758.75
Zinc	2446	2481.5	2536.5	2556.5	2414.5	2455	2404.875	2446.125

	LME Stocks (tonnes)						Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	583700	0	1800	-1800	581900	231425	350475	Comex, USc/lb		
Copper	114075	200	500	-300	113775	11700	102075	MAR 24	382.75	-0.01
Lead	187750	5625	1575	4050	191800	8600	183200	MAY 24	384.05	-0.26
Nickel	73944	0	30	-30	73914	4962	68952	Shanghai, CNY/mt		
Tin	5575	15	70	-55	5520	995	4525	23-Mar	68740	-0.09
Zinc	275150	0	250	-250	274900	54825	220075	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	1.2758	0.4172	Gold	2144.81	0.788	2126.25	2134.40
DJI	38850	0.69	JPY	149.2700	0.5225	Silver	24.14	1.9771		2393
S&P500	5118	0.78	EUR	1.0912	0.5066	Gold Comex	2152.9	0.514		
SSE	3040	-0.26	CNY	7.1981	-0.0222	Platinum	911.1	3.1064		
Hg Seng	16438	1.70	AUD	0.6578	1.1533	Palladium	1052.38	10.7232		
Brent	84	1.84	CAD	1.3510	0.6144					

Source: Bloomberg
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All price data is from 06.03.2024 as of 17:30

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