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Daily Base Metals Report

US stocks opened lower today following a higher-than-expected Producer Price Index (PPI) report, which sent the dollar soaring to the 103.4 mark. The PPI for February rose to 1.6% YoY, up from the 0.9% YoY observed in the previous month, surpassing the forecasted 1.2% YoY increase. The higher-than-expected increase in prices received by domestic producers for their output suggests that inflation could remain sticky in the near term. Investors pushed back their expectations for the start of monetary easing again, now with a 65% chance of a rate cut in June, leading the 10-year US Treasury yield to jump higher, almost touching 4.3%.

Base metals have edged slightly lower today, correcting slightly from yesterday's gains. In particular, copper prices softened but managed to hold firmly above the trend resistance level at \$8,835/t. If prices struggle below this level in the near term, we could see further upside in copper performance to \$9,000/t, continuing the recent months' trend. Likewise, aluminium edged lower but lacked appetite below the \$2,250/t level, closing at \$2,251.50/t. Lead and zinc weakened to \$2,158/t and \$2,548/t, respectively. Tin was the only metal that strengthened today, finding a new support level at \$28,000/t. The trend is being driven by a longer-term narrative, with continued limits from Myanmar creating a fundamentally tight tin market. Given no changes to the supply story, we expect prices to edge higher in the coming months.

The prices of precious metals took a downturn following the midday release of US data, causing gold and silver to drop to \$2,158/oz and \$24.8/oz, respectively. Conversely, oil prices gained momentum after the release of the latest International Energy Agency report, which projects a higher-than-anticipated increase in global oil demand for 2024, raising concerns about a potential supply shortage. WTI jumped to the highest level this year, trading at \$81.15/bl, while Brent crude increased to \$85.3/bl.

LME Copper 3MO (\$)



Source: Bloomberg, 14.03.2024

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2261	2273	2245	2251.5	2263	15091	675850	-46.39	102.13
Copper	8933	8977	8836	8887.5	8920	28934	301315	-101.50	403.43
Lead	2165	2170	2141	2158	2166	6355	151495	-3.25	97.95
Nickel	18285	18425	17975	18077	18365	6088	203607	-211.50	822.14
Tin	28005	28450	28005	28258	27935	595	18977	-132.00	1283.23
Zinc	2574	2587	2536	2548	2572	8600	230626	-38.44	115.85
Total:						65663	1581870		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	
							Cash	3M
Aluminium	2205	2255	2462.49	2553.49	2217.89	2264	2200.85	2245.65
Copper	8791.5	8890	9007.5	8971.5	8833.46	8927	8541.95	8636.1
Lead	2142	2146.5	2220.25	2248.25	2162.74	2169	2094.85	2100
Nickel	17755	18050	19405	20115	18124.5	18346	17729.5	17991
Tin	28055	28200			27960	28065	27206.5	27355.5
Zinc	2519.5	2560	2586.3	2601.3	2537.25	2576	2471.05	2510.7

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	572925	4400	4050	350	573275	217925	355350	Comex, USc/lb		
Copper	108925	0	875	-875	108050	14750	93300	MAR 24	392.5	0.06
Lead	191875	0	925	-925	190950	7825	183125	MAY 24	393.2	0.09
Nickel	74544	0	366	-366	74178	4746	69432	Shanghai, CNY/mt		
Tin	5255	0	200	-200	5055	1205	3850	01-Mar	69760	0.35
Zinc	267750	0	1725	-1725	266025	68825	197200	01-Apr	69930	0.39

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	17942	-0.11	GBP	1.2748	-0.3829	Gold	2159.11	-0.7036	2160.85	2168.40
DJI	38920	-0.32	JPY	148.1900	-0.2902	Silver	24.81	-0.7894		2430
S&P500	5151	-0.29	EUR	1.0886	-0.5663	Gold Comex	2163.3	-0.802		
SSE	3038	-0.18	CNY	7.1941	-0.1015	Platinum	932.29	-1.0087		
Hg Seng	16962	-0.71	AUD	0.6585	-0.5437	Palladium	1070.32	0.7796		
Brent	86	1.80	CAD	1.3524	-0.3919					

Source: Bloomberg
Updated: 14/03/2024 17:30

All price data is from 14.03.2024 as of 17:30

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