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Daily Base Metals Report

US stocks experienced a slight pullback at the opening today, following yesterday's record-setting rally, as anticipation builds around the Federal Reserve's monetary policy direction. This sentiment was further fuelled by the Fed's statement on Wednesday, hinting at three potential rate cuts this year. The expectations of a first rate cut in June have been factored in by the forward swap markets with over an 80% probability, leading to an increase in the 10-year US Treasury yield today to 4.2%. Similarly, investors are now heavily betting on a 92% chance of the ECB implementing its first rate cut in June. Yesterday's PMI data highlighted the robust performance of the world's largest economy, in contrast to the Eurozone, which is still grappling with the challenges posed by a prolonged period of high interest rates. As investors and market watchers closely monitor these developments, the anticipation around central bank policies and their impact on global markets continues to shape investor sentiment and market movements.

While this week has been packed with plenty of macroeconomic announcements, including central bank speeches and inflation readings, macro itself had little bearing on base metals' performance. Instead, speculative, technical and fundamental appetite has been driving the momentum within the complex. Copper prices have slightly corrected today, and the robust trend support at \$8,850/t has held firm, keeping prices elevated. This level is crucial in determining the near-term path of copper prices. Even if prices breach this level, our longer-term outlook remains moderately bullish, with support at \$8,300/t holding firm. Elsewhere, nickel prices corrected back to \$17,242/t, which we believe to be close to the fundamental value. We expect nickel prices to remain on the back foot relative to recent highs in the near term. Aluminium held comfortably above the \$2,300/t level. Lead and zinc weakened to \$2,036.50/t and \$2,484/t, respectively.

The dollar index strengthened, reaching 104.3 today, exerting downward pressure on precious metals. Gold saw a decline, dropping to \$2,167.80/oz, which still remains 5% higher than at the start of the year. Silver also experienced a decrease, falling to \$24.70 per ounce. Oil prices remained relatively stable, with WTI slightly adjusting to \$80.85/bl and Brent crude to \$85.60/bl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2290	2314	2286	2309	2284	30593	652321	-47.66	104.46
Copper	9004	9091	8919	8866.5	8990	27131	313844	-116.00	406.31
Lead	2072	2083	2049	2036.5	2070	8325	148280	-43.60	93.12
Nickel	17570	17685	17460	17242	17570	4522	198072	-204.28	794.70
Tin	27445	28030	27445	27727	27350	610	19008	-205.60	1265.31
Zinc	2518	2572	2518	2484	2523	10116	223239	-42.88	114.53
					Total:	81297	1554764		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	
							Cash	3M
Aluminium	2264	2312	2509.79	2599.79	2223.49	2273	2209.966667	2256.7
Copper	8873.5	8988	9142	9034.69	8818.84	8928	8655.833333	8754.866667
Lead	2031	2073	2113.5	2139.5	2013.32	2064	2082.533333	2098.233333
Nickel	17430	17625	18826	19546	17289.5	17492	17680.33333	17929
Tin	27700	27800			26989	27230	27428.66667	27585.33333
Zinc	2501	2547	2575.73	2590.73	2463.81	2508.5	2478.666667	2519.833333

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	566325	0	2275	-2275	564050	221100	342950	Comex, USc/lb		
Copper	112325	0	1000	-1000	111325	20200	91125	MAR 24	403.85	-0.49
Lead	267075	700	0	700	267775	4350	263425	MAY 24	405.15	-0.56
Nickel	77754	0	114	-114	77640	4506	73134	Shanghai, CNY/mt		
Tin	5125	0	145	-145	4980	900	4080	01-Apr	72850	0.43
Zinc	270525	4275	1875	2400	272925	57850	215075	01-May	72870	0.34

Global Markets

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	18179	0.91	GBP	1.2667	-0.9230	Gold	2181.23	-0.236	2153.4	2157.45
DJI	39853	0.86	JPY	151.6700	-0.2703	Silver	24.83	-2.943		2485.5
S&P500	5258	0.64	EUR	1.0864	-0.5310	Gold Comex	2205.1	1.040		
SSE	3077	-0.08	CNY	7.1995	-0.0222	Platinum	910.7	0.1022		
Hg Seng	16863	1.93	AUD	0.6572	-0.2126	Palladium	1013.1	-1.1089		
Brent	85	-0.54	CAD	1.3528	-0.2661					

Source: Bloomberg
Updated: 21/03/2024 17:30

All price data is from 22.03.2024 as of 17:30

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