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THU 11 APRIL 2024 00:10

Daily Base Metals Report

US stocks fell at the open today after the release of the US Consumer Price Index (CPI) data, which indicated a sharper-than-expected increase in inflation for March. The headline CPI rose from 3.2% YoY to 3.5% YoY, while the Core CPI held steady at 3.8% YoY. This surge in inflationary pressures was largely attributed to rising service costs, especially in medical care and transportation. Since the beginning of February, oil prices have been on an upward trajectory, with WTI climbing from \$72.28/bl to \$85/bl and Brent Crude from \$81.18/bl to \$90/bl, as geopolitical tensions have amplified bullish sentiment. Today's inflation figures, significantly above the 2% target, have dampened the recent optimism among investors, raising concerns that the Fed might postpone interest rate cuts longer than initially anticipated. Forward swaps now suggest a less than 20% likelihood of a rate cut in June. As a result, the yield on the 10-year US Treasury note neared 5%, and the dollar index rose above the 105 level.

Base metals started on the front foot today, continuing on the upward trend that started in recent days. However, the earlier release of the CPI print caused risky assets to reverse these gains, as markets have priced out another case for interest rate cuts in Q2 2024. Copper fell back below \$9,400/t; aluminium's upside stalled, prompting prices to hold above \$2,400/t. Likewise, tin that was on trend to breach the \$32,000/t level was corrected later on in the day back to \$32,007/t. Lead and zinc held their ground at \$2,175/t and \$2,735.50/t, respectively.

Although the 10-year US Treasury yield's increase initially caused gold prices to dip following the CPI announcement, it quickly rebounded, reaching \$2,347/oz. Strong purchasing by central banks, coupled with sustained demand from individual investors, particularly in China and India, continue to provide solid support for gold, attracting speculative investors and maintaining high bullion prices. Silver also maintained its strong performance, with another increase today to \$28.4/oz.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2460	2494	2437	2456	2459	28685	668103	-50.71	111.40
Copper	9450	9512	9325	9374	9427	29423	324180	-133.55	425.20
Lead	2158	2193	2142	2175	2162	11588	147064	-39.09	98.07
Nickel	18240	18900	18130	18364	18280	13322	198234	-179.11	837.11
Tin	30980	33130	30900	32007	31030	1704	20070	84.00	1438.13
Zinc	2711	2795	2678	2735.5	2711	20266	247866	-33.99	124.44
					Total:	104988	1605517		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2429	2485	2630.69	2711.69	2409.1	2460	2384.428571	2431.071429	
Copper	9365	9490	9567.49	9557.49	9283	9417.5	9181.214286	9300.714286	
Lead	2139	2175	2252.59	2276.59	2121.97	2161	2081.285714	2112.571429	
Nickel	18585	18800	19563	20238	18043.27	18219	17520	17713.57143	
Tin	32925	32825			31185	31159	29418.57143	29426.42857	
Zinc	2731.5	2768	2789.34	2804.34	2671.56	2709.5	2574.928571	2619.714286	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	529625	0	3550	-3550	526075	201325	324750	Comex, USc/lb		
Copper	124225	700	1450	-750	123475	10950	112525	MAY 24	428.55 0.22	
Lead	271525	0	0	0	271525	45150	226375	JUL 24	430.8 0.15	
Nickel	75420	0	78	-78	75342	7080	68262	Shanghai, CNY/mt		
Tin	4285	0	100	-100	4185	535	3650	01-Apr	76090 0.24	
Zinc	259925	0	1000	-1000	258925	35625	223300	01-May	76360 0.30	

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	18097	0.11	GBP	1.2528	-1.1832	Gold	2339.34	-0.5712	2364.2	2356.10
DJI	38407	-1.23	JPY	152.9500	-0.7780	Silver	28.08	-0.2415		2796.5
S&P500	5153	-1.09	EUR	1.0735	-1.1237	Gold Comex	2357.9	-0.190		
SSE	3027	-0.70	CNY	7.2343	-0.0276	Platinum	967.12	-1.3304		
Hg Seng	17139	1.85	AUD	0.6507	-1.8404	Palladium	1057.88	-3.3794		
Brent	90	0.10	CAD	1.3692	-0.8837					

Source: Bloomberg
Updated: 10/04/2024 17:30

All price data is from 10.04.2024 as of 17:30

Risk warning

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