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Daily Base Metals Report

US stocks fluctuated today following retail sales data indicating a more significant than anticipated jump in consumer spending in March. Although spending trends tend to vary seasonally, the recent retail sales figures add to the narrative of resilient US consumers. After a big jump on Friday, the dollar index remained steady, trading above 106 level, while the 10-year US treasury yield increased to 4.63%.

The metals market started the week on a volatile note following the weekend's announcement from the US/UK governments imposing new sanctions on the delivery of Russian material into LME warehouses. Aluminium rallied more than 9.0%, up above \$2,700/t, but completely erased these gains back to \$2,555/t. While the exchange allowed old material to enter the warehouses, there was a lot of uncertainty surrounding future material coming from the region. Over the longer term, we do not expect this announcement to impact availability massively, given sufficient stock levels and subdued global demand. Instead, further sourcing of material is likely to be diversified from other regions rather than completely lost. Still, this is likely to keep current prices at a premium. Nickel responded in a similar manner, jumping above \$19,000/t but eventually reversing this trend and falling back to its recent range, trading at \$17,846/t. Copper prices did little to reflect the announcement, with the trend support keeping prices elevated at \$9,576/t. Lead and zinc remained broadly unchanged at \$2,185/t and \$2,774.50/t, respectively.

The rally in gold has decelerated with bullion trading flat today at \$2351/oz, while silver saw another big jump, appreciating to \$28.6/oz. Iran is expected to have completed its retaliation mission following the recent Israel's attack on its Syrian consulate, leading the price of oil to decline slightly with WTI and Brent trading at \$84.4/bl and \$89.2/bl.

All price data is from 15.04.2024 as of 17:30

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