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Daily Base Metals Report

US stocks opened higher today following stronger-than-expected industrial production data. Industrial output in December rose 0.9% MoM, significantly exceeding forecasts and accelerating from the 0.2% increase recorded in the previous month. Meanwhile, housing starts, which measure new residential construction activity, jumped to 1,499k in December, up from 1,294k in November, signalling continued resilience in the US housing market. The data reinforced the view that the US economy remains in a much stronger position compared to its European counterparts. Earlier in the day, UK retail sales for December disappointed, showing a 2.9% increase versus the expected 4.0%, pointing to weaker-than-anticipated consumer activity. The dollar strengthened against major currencies, with the dollar index trading at 109.2, while the 10-year US Treasury yield edged slightly lower but continued to hold the 4.60% support level.

China's Q4 2024 GDP growth beat expectations, expanding 5.4% YoY, up from 4.6% in Q3. Industrial production in December also surged, rising 6.2% YoY compared to market forecasts of 5.4%, boosting optimism over China's economic outlook. Hopes for improved Chinese demand drove LME aluminium sharply higher, with the metal rallying to 2,689.5/t. Lead edged higher to 1,975.5/t, while zinc rebounded from recent losses, climbing to 2,942/t. Conversely, copper pulled back after several days of gains, trading at 9,183/t.

Precious metals saw limited movement. Gold remained above 2,700/oz, trading at 2,715.5/oz, while silver slipped to 30.4/oz. Oil prices softened, with WTI at 78.1/bbl and Brent crude at 80.9/bbl.

All price data is from 17.01.2025 as of 17:30

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