

Authors

Daria Efanova
Head of Research

SAT 22 JUNE 2024 00:10

Daily Base Metals Report

US stocks fluctuated today following stronger-than-expected US PMI data, underscoring the resilience of the world's largest economy. The S&P Global US Composite PMI rose to 54.6 in June, the highest level since April 2022. Following this data release, the 10-year US Treasury yield jumped to 4.27%, while the dollar index approached 105.9. In contrast, the private sector faced challenges in other areas, with UK services and Eurozone manufacturing indices both declining, resulting in June readings of 51.7 and 50.8, respectively. UK business activity expansion was the weakest since November last year. The Eurozone saw new orders decrease for the first time in four months, leading to softer expansions in business activity and employment, while business confidence dropped to its lowest level since February.

After two days of modest gains, the LME space recorded declines across the board. Aluminium softened to \$2,514/t, while copper lost all the gains from the last two days, trading at \$9,676.5/t. Nickel fell to \$17,220/t, its lowest level since early March. Lead and zinc also posted declines, with lead trading at \$2,193/t and zinc at \$2,841/t.

Precious metals gave back all of yesterday's gains as strong US PMIs made the likelihood of the first Fed interest rate cuts less probable in the near term. Gold traded at \$2,328.3/oz, while silver decreased to \$29.6/oz. Oil remained mostly unchanged, with WTI at \$81.25/bbl and Brent crude at \$85.7/bbl.

All price data is from 21.06.2024 as of 17:30

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).