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Daily Base Metals Report

US stocks opened higher today, starting the week close to record highs. Signs of softness in the labour market have brought the 10-year US Treasury yields and the dollar index lower as investors' expectations for the first Fed interest rate cut in September grow. Forward swaps are currently pricing in more than an 80% chance of a cut in the last month of Q3. CPI data due on Thursday is expected to show further softening in price pressures, which could further assure investors that the start of the Fed's monetary easing is near. The dollar index traded just below the 105 level, while the 10-year US Treasury yield remained mostly unchanged from Friday, closing at 4.28%.

In France, the election results were unexpected, with the left-wing New Popular Front alliance securing 188 seats in the National Assembly. Macron's party won 161 seats, while the far-right National Rally took third place with 142 seats. Since no party achieved the 289 seats needed for an overall majority, the country is likely to experience some volatility as it navigates a hung parliament.

The base metals complex retested the robust resistance levels today. However, a lack of strong appetite prompted prices to remain below these levels. While we see limited downside for the complex, the upside risk is likely to be more controlled in the coming weeks due to a seasonally quiet summer period. While macro factors currently have little impact on the price trajectory, we will keep an eye on the US CPI print this week as it might influence prices. Copper fluctuated around the \$9,550/t level, struggling to break above the \$10,000/t resistance level. Likewise, aluminium remained below \$2,550/t. Zinc's \$3,000/t remained robust today. Lead, on the other hand, continued to gain momentum, edging close to \$2,550/t.

Despite a weaker dollar, precious metals softened today. Gold traded at \$2,375/oz, while silver stood at \$31.1/oz. As worries about Hurricane Beryl affecting refining and production infrastructure subsided, oil prices declined, with WTI and Brent crude at \$82.7/bbl and \$86.2/bbl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2537	2541	2520	2531.5	2540	11210	621433	-55.00	114.81
Copper	9950	10000	9857	9915	9970	16321	326087	-154.49	450.24
Lead	2237	2259	2225	2231.5	2242	4742	140527	-47.75	101.38
Nickel	17330	17500	17305	17473	17330	4093	205860	-274.33	790.85
Tin	34200	34385	33775	34218	33950	748	20083	-25.00	1551.30
Zinc	3001	3005	2951	2955.5	3000	7620	233769	-57.13	134.15
					Total:	44734	1547759		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2475.5	2532	2685.78	2747.78	2478.43	2535.5	2489.583333	2536.333333
Copper	9808	9971.5	10212.6602	10252.66016	9795.24	9944	9671.666667	9822.916667
Lead	2207.5	2244	2301	2315	2191.3	2237	2187.416667	2227.5
Nickel	17130	17380	18594.24	19394.24	17082.21	17341	17128.333333	17381.666667
Tin	34450	34400			33859	33874	33351.66667	33458.33333
Zinc	2926	2989	3021.54	2843.54	2943.87	3001	2921.5	2981.916667

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	999725	0	5550	-5550	994175	546250	447925	Comex, USc/lb		
Copper	191625	1400	1550	-150	191475	15600	175875	JUL 24	464.15	2.21
Lead	222150	0	3350	-3350	218800	21025	197775	SEP 24	464.95	2.56
Nickel	97254	240	24	216	97470	5838	91632	Shanghai, CNY/mt		
Tin	4570	60	5	55	4625	220	4405	01-Jul	79860	0.13
Zinc	258675	0	0	0	258675	42875	215800	01-Aug	80170	0.11

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	18490	0.08	GBP	1.2827	0.0936	Gold	2364.41	-1.16	2379.05
DJI	39340	-0.09	JPY	160.7200	0.0187	Silver	30.89	-1.0381	3058
S&P500	5574	0.12	EUR	1.0833	-0.0646	Gold Comex	2371.7	-1.084	
SSE	2922	-0.93	CNY	7.2687	-0.0055	Platinum	1002.66	-2.6629	
Hq Seng	17524	-1.55	AUD	0.6740	-0.1334	Palladium	1014.99	-1.4161	
Brent	86	-0.86	CAD	1.3637	0.0220				

Source: Bloomberg

Updated: 08/07/2024 17:30

All price data is from 08.07.2024 as of 17:30

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