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Daily Base Metals Report

As markets digested Jerome Powell's economic remarks, US stocks remained near record highs. In particular, the S&P 500 tested the 5600 level but struggled to stay above it. A more balanced approach from Powell's remarks reinforced the belief that interest rate cuts will take place this year. Forward swaps are still pricing in 19bps of cuts in September, but the probability of it has increased week-on-week. In his speech, Powell emphasised that policymakers are looking for more evidence of lower inflation to increase confidence in the softening of monetary policy. However, he also stressed the importance of not cutting interest rates too little or too late, which led the market to keep the possibility of two rate cuts this year on the table. All attention will be paid to the CPI reading this Thursday. The dollar strengthened back above 105 today, following recent days of softness.

The base metals complex began the day on the back foot as markets struggled above the robust resistance levels. However, later in the day, a stronger dollar intensified risk-off sentiment, leading to a correction in prices today. While fundamentals are supporting prices from the downside, the upside is defensive. We expect metals to recover moderately in the coming days. The biggest downside pressures were felt by aluminium and lead, which tested robust support levels at \$2,480/t and trend support at \$2,200/t, respectively. These levels held firm, and aluminium and lead closed at \$2,496.50/t and \$2,194/t, respectively. Copper was marginally softer at \$9,869/t. Tin was the only metal that continued to climb higher, posting the 9th consecutive day of gains to \$34,350/t.

Both oil and precious metals softened following Powell's remarks, with gold and silver falling to \$2,358/oz and \$30.74/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2534	2537	2491	2496.5	2529	14319	616927	-59.52	113.17
Copper	9920	9968	9819	9869	9897	13451	328973	-155.00	447.63
Lead	2236	2238	2186	2194	2238	6947	140115	-49.50	99.47
Nickel	17470	17470	17130	17142	17405	4359	204802	-280.39	778.15
Tin	34075	34450	34055	34350	34275	767	19856	119.00	1561.28
Zinc	2959	2965	2921	2930.5	2945	7820	238861	-61.96	132.95
					Total:	47663	1549534		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2468.5	2525.5	2654.68	2726.43	2473.92	2531.5	2486.571429	2534.785714	
Copper	9762	9925	10200.54	10270.54	9760.01	9915	9684.571429	9837.5	
Lead	2155	2213	2302.75	2316.75	2180.93	2231.5	2182.785714	2225.428571	
Nickel	16980	17260	18299.9102	19119.91016	17198.67	17473	17107.14286	17364.28571	
Tin	34325	34300			34193	34218	33490.71429	33578.57143	
Zinc	2872	2933	2999	2831.5	2893.54	2955.5	2914.428571	2974.928571	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	994175	0	5650	-5650	988525	541950	446575	Comex, USc/lb		
Copper	191475	1300	1750	-450	191025	13850	177175	JUL 24	462.2	
Lead	218800	0	1875	-1875	216925	19375	197550	SEP 24	461.8	
Nickel	97470	420	18	402	97872	5844	92028	Shanghai, CNY/mt		
Tin	4625	0	25	-25	4600	205	4395	01-Jul	79990	
Zinc	258675	0	2300	-2300	256375	41575	214800	01-Aug	80340	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change	Last	% Change	Last	% Change	AM	PM		
DAX	18236	-1.28	GBP	1.2782	-0.1952	Gold	2358.65	-0.0203	2371.65
DJI	39300	-0.11	JPY	161.4500	-0.3840	Silver	30.74	-0.0696	3099
S&P500	5579	0.10	EUR	1.0812	-0.1109	Gold Comex	2365.2	0.072	
SSE	2959	1.26	CNY	7.2726	-0.0619	Platinum	986.96	-1.6365	
Hq Seng	17523	0.00	AUD	0.6733	-0.0594	Palladium	984.14	-2.9362	
Brent	85	-0.71	CAD	1.3642	-0.0513				

Source: Bloomberg
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All price data is from 09.07.2024 as of 17:30

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