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Daily Base Metals Report

US stocks opened higher today following the release of inflation data. Newly released US CPI for June showed that inflation softened more than expected, suggesting that price pressures are easing as we enter the summer holiday season. The headline CPI came in at 3.0% in June compared to 3.3% in May, while core inflation softened to 3.3% from 3.4%. This development fuels optimism that the Federal Reserve might lower interest rates in September. Forward swaps are now pricing in a 96% chance of a 25bps cut in the first month of autumn. The dollar index plunged today, trading at 104.25, while the 10-year US Treasury yield decreased below 4.18%.

Base metals reversed yesterday's trend, suggesting the market lacks the conviction to break out of current trading ranges. In particular, aluminium found support at \$2,470/t – the level that held firmly in recent weeks to close at \$2,476.50/t. Copper was at \$9,786.50/t. Nickel tested prices above the \$17,000/t level but struggled above it, coming back to \$16,809/t. Lead and zinc remained firmly below the resistance levels of \$2,200/t and \$3,000/t, respectively. The dollar's weakness struggled to provide any incentive on the upside, suggesting a growing disconnection between complex and macroeconomic factors. Instead, prices are likely to be driven by individual metal's narrative, and psychological support and resistance levels will be key to assessing appetite out of current trading ranges.

The decline in Treasury yields and the dollar drove up precious metal prices. Gold surpassed the \$2,400/oz mark, while silver jumped above \$31.5/oz. Oil fluctuated, with WTI and Brent crude trading at \$81.9/bbl and \$84.9/bbl, respectively, at the time of writing.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2480	2509	2474	2476.5	2478	18018	630723	-63.66	112.38
Copper	9868	9924	9771	9786.5	9858	18104	332835	-156.50	444.14
Lead	2180	2205	2171	2198	2178	5004	142665	-59.00	99.56
Nickel	16860	17310	16795	16809	16825	6378	202298	-275.80	762.50
Tin	35010	35500	34500	34666	35125	839	19936	-115.00	1568.99
Zinc	2956	3003	2953	2959	2957	7851	238649	-61.13	134.26
					Total:	56194	1567106		

	Official Prices						Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2428.5	2490.5	2636.01	2708.01	2420.46	2483.5	2474.055556	2524.833333
Copper	9693.5	9860	10217.45	10316.2	9743.59	9905	9686.833333	9842.388889
Lead	2131	2192	2254.34	2268.34	2120.17	2179.5	2171.833333	2218
Nickel	16630	16950	17993.31	18813.31	16606.41	16891	17014.44444	17286.66667
Tin	35600	35350			35171	35007	33881.66667	33900
Zinc	2902.5	2968	3006	2858	2904.37	2965.5	2908.166667	2969.277778

LME Stocks (tonnes)	Opening	In	Out	Net Change	Closing	C-warrants	Open	Other Copper Markets		
								Tonnage	Last	% Change
Aluminium	987025	0	5025	-5025	982000	536025	445975	Comex, USc/lb		
Copper	195475	12825	1525	11300	206775	11350	195425	JUL 24	462.2	-0.78
Lead	214350	0	1150	-1150	213200	19275	193925	SEP 24	461.8	-0.73
Nickel	98088	294	0	294	98382	5868	92514	Shanghai, CNY/mt		
Tin	4450	0	10	-10	4440	195	4245	01-Jul	79990	0.04
Zinc	255050	0	1750	-1750	253300	39050	214250	01-Aug	80340	-0.02

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	18535	0.69	GBP	1.2917	0.5292	Gold	2419.32	2.0268	2372.9
DJI	39806	0.21	JPY	158.5500	1.9804	Silver	31.50	2.2209	3093.5
S&P500	5587	-0.83	EUR	1.0869	0.3601	Gold Comex	2424.8	1.895	
SSE	2970	1.06	CNY	7.2584	0.2425	Platinum	1007.7	1.1788	
Hg Seng	17832	2.06	AUD	0.6775	0.4150	Palladium	1001	0.8402	
Brent	86	0.51	CAD	1.3617	0.0147				

Source: Bloomberg
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All price data is from 11.07.2024 as of 17:30

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