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TUE 23 JULY 2024 00:10

Daily Base Metals Report

US stocks opened higher today following the news of Joe Biden withdrawing from the presidential race. The announcement had little impact on the markets, with the dollar index remaining mostly unchanged at 104.35 and the 10-year US Treasury yield holding steady at 4.22%. Investors are now awaiting the release of the PCE index tomorrow, which will provide insights into fluctuations in living expenses and consumer spending in the US. This information is crucial as investors focus on the Fed's next moves in monetary policy. We expect to see further softening in price pressures, reinforcing investor bets on the first interest rate cut in September.

Base metals continued to weaken today, driven by long liquidation, prompting the complex to test the robust support levels. In particular, copper is testing the \$9,200/t support as aluminium is weakening towards the \$2,300/t level. A similar trend was seen across the rest of the complex, erasing the gains made in Q2 2024. With a quieter trading period and uncertainty about the future pricing path, we expect that longs have unwound their positions. Given a stable volatility environment, we believe that market movements are gradually softening rather than undergoing a rapid sell-off. Therefore, if prices do not break the strong support levels in the near term, we could potentially see a slight trend reversal.

Precious metals softened today. Gold pulled back from its recent record price, trading below the \$2,400/oz level again, while silver declined below \$29/oz. Oil prices also fell, with WTI and Brent crude trading at \$79.9/bbl and \$82.3/bbl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2382	2386	2350	2299.5	2386	20677	601602	-56.81	106.78
Copper	9355	9422	9306	9216.5	9371	23864	306104	-107.00	422.32
Lead	2153	2159	2131	2083	2155	7743	139834	-38.50	96.80
Nickel	16450	16480	16235	16190	16425	5037	199395	-270.50	738.68
Tin	31575	31705	30080	29888	31575	1245	18436	-205.00	1410.69
Zinc	2810	2816	2769	2726.5	2809	10169	223197	-59.82	125.74
					Total:	68735	1488568		

Official Prices					Monthly Avg				
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2312	2368	2514.77	2599.77	2326.24	2385	2431.966667	2486.366667	
Copper	9214	9344	9661	9816	9254.9	9386	9612.566667	9764.733333	
Lead	2100	2146	2260.77	2280.77	2127.54	2157	2160.233333	2204.2	
Nickel	16105	16360	17435	18275	16150.11	16423	16752.66667	17030.66667	
Tin	30695	30850			31389.02	31604	33408.66667	33462.33333	
Zinc	2717	2780	2836.54	2762.04	2748.83	2809	2872.1	2933.533333	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	963825	0	3750	-3750	960075	553050	407025	Comex, USc/lb		
Copper	227425	5050	1050	4000	231425	14575	216850	JUL 24	426.6	
Lead	208425	0	275	-275	208150	52700	155450	SEP 24	427.95	
Nickel	101820	720	0	720	102540	5838	96702	Shanghai, CNY/mt		
Tin	4505	55	0	55	4560	50	4510	01-Aug	76780	
Zinc	242600	0	2325	-2325	240275	29100	211175	01-Sep	76930	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change	Last	% Change	Last	% Change	AM	PM		
DAX	18172	-1.00	GBP	1.2919	-0.1931	Gold	2405.61	-1.6143	2466.95
DJI	40281	-0.94	JPY	157.4300	-0.0381	Silver	29.23	-2.026	3047
S&P500	5511	-0.61	EUR	1.0888	-0.0826	Gold Comex	2407.5	-1.991	
SSE	2982	0.17	CNY	7.2696	-0.1032	Platinum	967.15	-0.5072	
Hq Seng	17418	-2.03	AUD	0.6691	-0.2237	Palladium	916.75	-1.5412	
Brent	84	-1.48	CAD	1.3730	-0.1748				

Source: Bloomberg
Updated: 22/07/2024 17:30

All price data is from 22.07.2024 as of 17:30

Risk warning

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