



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

THU 01 AUGUST 2024 00:10

Daily Base Metals Report

US stocks opened higher today following the release of macroeconomic data that solidified investors' expectations of the first Fed interest rate cut in September. The ADP Employment Change for July came in lower than anticipated, showing 122,000 new jobs added compared to the expected 150,000. This pushed US Treasury yields and the dollar lower. The 10-year yield declined to 4.09%, the lowest level since March, while the dollar index dropped to 104.0. Investors are now keenly awaiting this evening's FOMC meeting statement to gauge the future path of US monetary policy.

Despite a softer PMI performance out of China, the base metals complex closed the month on the front foot. The market's downside has been slowing in recent days, solidifying new support levels, and today's relief rally could indicate the end of the bearish trend. While we do not expect strong gains in the coming weeks, this acts as a welcoming sign for the market, where new support levels are firmly established. In particular, copper opened above the robust \$9,000/t level, strengthening to \$9,225/t. We expect that copper will continue to edge back to \$9,700/t in the coming days. Likewise, aluminium jumped higher but struggled above the \$2,300/t level. The rest of the complex followed suit.

The softer dollar pushed precious metal prices higher. Gold appreciated to \$2,422/oz, while silver increased to \$28.75/oz. Oil prices also traded higher, with WTI and Brent crude at \$76.9/bbl and \$80.6/bbl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2235	2325	2230	2290.5	2238	28412	637169	-58.50	104.06
Copper	9034	9267	9026	9225	9031	19918	292377	-123.50	418.62
Lead	2039	2088	2039	2083.5	2036	6240	142607	-44.29	94.53
Nickel	16085	16775	16085	16604	16050	6935	206246	-267.86	751.84
Tin	29290	30485	29290	30056	29200	943	18980	-248.17	1365.10
Zinc	2645	2719	2645	2675.5	2651	11014	221240	-56.50	121.65
					Total:	73462	1518619		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	3M
Aluminium	2252	2297	2429	2520	2157.97	2224.5	2362.304348	2417.021739
Copper	9014.5	9152	9303	9468	8842.86	8972	9393.565217	9536.326087
Lead	2024	2060	2137.1	2167.1	1990.71	2035	2114.347826	2155.434783
Nickel	16255	16505	17640.92	18440.92	15797.63	16071	16396.30435	16679.56522
Tin	29610	30025			28534	28779	32003.91304	32115
Zinc	2634.5	2687	2681.51	2656.51	2571.17	2629	2785.195652	2844.956522

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	936625	0	3500	-3500	933125	573875	359250	Comex, USc/lb		
Copper	239400	1500	1625	-125	239275	17300	221975	SEP 24	408.4	0.54
Lead	239950	0	3025	-3025	236925	72700	164225	DEC 24	412.6	1.02
Nickel	105090	96	0	96	105186	6216	98970	Shanghai, CNY/mt		
Tin	4625	0	25	-25	4600	290	4310	01-Aug	73590	0.40
Zinc	238425	0	2050	-2050	236375	24025	212350	01-Sep	73600	0.16

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	18509	0.53	GBP	1.2842	0.0467	Gold	2423.19	0.5148	2389.15
DJI	40946	0.50	JPY	150.3700	1.5961	Silver	28.79	1.4327	2390.25
S&P500	5528	1.69	EUR	1.0823	0.0740	Gold Comex	2468	0.657	2788
SSE	2939	2.06	CNY	7.2197	0.2950	Platinum	977.72	1.4738	
Hq Seng	17345	2.01	AUD	0.6533	-0.0765	Palladium	929.34	4.0648	
Brent	81	2.65	CAD	1.3807	0.3042				

Source: Bloomberg
Updated: 31/07/2024 17:30

All price data is from 31.07.2024 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).