



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

THU 22 AUGUST 2024 00:10

Daily Base Metals Report

US stocks opened higher today as investors await the release of the Federal Reserve's meeting minutes, which are expected to provide more insight into the level of consensus among policymakers regarding a potential interest rate cut in September. The first rate cut is now firmly on the table, with forward swaps pricing in over a 30% chance of a 50bps reduction. The dollar remained steady, hovering around the 101.4 level, while the 10-year Treasury yield edged slightly lower, standing at 3.8%.

Base metals held their nerve today as markets cooled their optimism following the recent gains. This is particularly prevalent for aluminium, which posted its 10th consecutive gain, albeit struggling above the \$2,500/t mark today. Copper remained broadly unchanged at \$9,260/t. Likewise, nickel saw a lack of appetite above the \$17,000/t after giving up prices above that level yesterday. On the other hand, zinc continued to gain momentum, supported by talks of potential smelter output cuts in China, prompting the metal to test the \$2,850/t level.

Gold retraced yesterday's gains, settling at \$2,504/oz, while silver remained relatively unchanged, trading just below \$29.5/oz. Although the anticipated September rate cut appears to be priced in, we believe gold still has upside potential. As summer holidays draw to a close, we could see bullion prices reaching new highs. WTI crude experienced a slight decline, trading at \$73.3/bbl, while Brent crude saw a modest increase to \$77.5/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2483	2495	2453	2487	2476	24070	626826	-25.94	112.45
Copper	9196	9276	9151	9260	9182	12263	279836	-123.89	419.49
Lead	2059	2090	2053	2085.5	2061	5333	149904	-33.65	94.46
Nickel	16860	17065	16835	16910	16865	5803	200156	-244.21	764.99
Tin	32190	32750	32100	32695	32000	432	18390	-120.00	1482.13
Zinc	2797	2863	2787	2850.5	2795	11111	210487	-49.49	129.00
					Total:	59012	1485599		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2443	2477.5	2622.97	2689.97	2468.07	2502	2276.7	2328.133333
Copper	9138	9258.5	9509.36	9612.37	9085.84	9204	8892.733333	9013.366667
Lead	2052	2084	2155.31	2200.31	2019.85	2053.5	1981.533333	2022.5
Nickel	16640	16900	17788.2305	18488.23047	16786.53	17035	16099	16353
Tin	32535	32700			32136	32276	31043	31108.66667
Zinc	2797.5	2848	2893.96	2858.46	2751.13	2805	2657.033333	2710.933333

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	881450	0	3500	-3500	877950	531325	346625	Comex, USc/lb	
Copper	320050	0	425	-425	319625	36450	283175	SEP 24	415.85
Lead	191100	0	5600	-5600	185500	25800	159700	DEC 24	420.1
Nickel	114066	1632	96	1536	115602	7968	107634	Shanghai, CNY/mt	
Tin	4150	80	0	80	4230	200	4030	01-Aug	0
Zinc	258800	0	1175	-1175	257625	29625	228000	01-Sep	73710

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	18449	0.50	GBP	1.3075	0.3146	Gold	2507.02	-0.2772	2521.55
DJI	40774	-0.15	JPY	145.1300	0.0896	Silver	29.47	0.1053	2977
S&P500	5600	0.06	EUR	1.1145	0.1348	Gold Comex	2544.8	-0.227	
SSE	2857	-0.35	CNY	7.1328	-0.0491	Platinum	967.77	1.6288	
Hq Seng	17391	-0.69	AUD	0.6746	0.0148	Palladium	955.15	2.7507	
Brent	77	-0.84	CAD	1.3588	0.2429				

Source: Bloomberg
Updated: 21/08/2024 17:30

All price data is from 21.08.2024 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).