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SAT 24 AUGUST 2024 00:10

Daily Base Metals Report

US markets jumped higher on Friday after Jerome Powell's speech in Jackson Hole, where he mentioned that it's time to start adjusting rates, boosting confidence in rate cuts across risky asset classes today. This aligned with market expectations for the first interest rate cut in September, with forward swaps expectations remaining broadly unchanged at 33bps of a reduction. The 10-year Treasury yield weakened to 3.80% while the dollar breached the 101 level on the downside.

The base metals complex finished the week with gains after several weeks of downward pressure. Aluminium has breached the robust \$2,500/t mark, and lead, and zinc followed suit. Copper remained suppressed below the \$9,300/t level. While metals' prices have been dislocated from macroeconomic shifts in the form of recession fears and monetary policy actions in recent weeks, today's statement from Powell prompted prices to jump higher in the latter half of the day. Still, we do not expect this trend to accelerate in the near term. With low trading activity during the summer, many investors have postponed potential volatility until the fourth quarter, which is typically a more volatile time of the year. In the meantime, we anticipate a slight upward drift in the markets, testing important resistance levels.

Oil futures followed assets higher, with WTI and Brent now trading at \$74/bl and \$78/bl, respectively. Precious metals benefitted the most as hedges against lower interest rates, with gold jumping back above \$2,500/oz and silver gaining to \$29.50/oz.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2475	2548	2474	2542	2467	20966	621027	-5.00	115.33
Copper	9137	9300	9137	9288.5	9120	14426	280032	-118.50	420.55
Lead	2062	2122	2062	2117	2057	6494	150546	-16.31	95.41
Nickel	16555	16905	16520	16758	16540	4915	199624	-220.13	760.91
Tin	32490	33090	32490	32912	32425	545	18587	-50.00	1490.07
Zinc	2857	2916	2857	2912	2858	11013	215031	-40.59	132.20
					Total:	58359	1484847		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2499	2509	2611.76	2673.76	2462.92	2480	2301.205882	2348.441176	
Copper	9072	9196	9384.76	9487.769531	9010.28	9130.5	8913.176471	9034.5	
Lead	2086	2104	2146.93	2186.93	2036.69	2053	1992.411765	2030.823529	
Nickel	16410	16655	17574.58	18224.58	16360.78	16603	16130.88235	16382.35294	
Tin	32825	32825			32176	32316	31248.52941	31312.05882	
Zinc	2841.5	2885	2889.82	2812.32	2817.41	2858	2677.941176	2730.647059	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	874450	0	3500	-3500	870950	524325	346625	Comex, USc/lb		
Copper	319700	0	4125	-4125	315575	29425	286150	SEP 24	414.8	
Lead	182475	0	1575	-1575	180900	21800	159100	DEC 24	418.6	
Nickel	115962	660	6	654	116616	8010	108606	Shanghai, CNY/mt		
Tin	4470	30	0	30	4500	100	4400	01-Sep	73540	
Zinc	256850	0	800	-800	256050	30750	225300	01-Oct	73580	

Global Markets		Currencies		Precious Metals		Previous Day's Fix			
Last	% Change	Last	% Change	Last	% Change	AM	PM		
DAX	18629	0.73	GBP	1.3216	0.9549	Gold	2516.82	1.2907	2483.00
DJI	41181	1.15	JPY	144.8100	1.0220	Silver	29.84	2.9473	2956.5
S&P500	5631	1.08	EUR	1.1190	0.7019	Gold Comex	2552.9	1.438	
SSE	2854	0.20	CNY	7.1216	0.3567	Platinum	959.99	1.1389	
Hq Seng	17612	-0.16	AUD	0.6789	1.2528	Palladium	952.25	2.3551	
Brent	79	2.18	CAD	1.3502	0.8443				

Source: Bloomberg
Updated: 23/08/2024 17:30

All price data is from 23.08.2024 as of 17:30

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