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Daily Base Metals Report

US stocks opened lower today, kicking off a week where all eyes will be on the upcoming CPI data, which is expected to provide further insights into the Fed's future policy direction. In Europe, the ECB is widely anticipated to lower interest rates by another 25bps on Thursday as it continues its easing cycle to support the struggling Eurozone economy. In Asia, data from China showed November CPI at 0.2% YoY, down from the previous month and below market expectations of 0.4%. The weaker-than-expected inflation data highlights persistent deflationary pressures in the Chinese economy, raising concerns about the effectiveness of recent policy measures. The dollar softened slightly, dipping just below the 106.0 level, while the 10-year US Treasury yield edged higher to 4.19%.

Base metals started the week on a positive note, buoyed by an encouraging announcement from Chinese policymakers signalling a more accommodative monetary and fiscal policy stance for 2025. In particular, the government pledged a more proactive fiscal approach, raising expectations that the economy will widen the fiscal deficit from 3% next year and improve borrowing conditions. While this marked the clearest and most direct language on stimulus in many years - boosting Chinese stock markets - the response in the metals market was more muted.

We attribute this cautious reaction to lingering doubts surrounding the region's long-term growth prospects, particularly in the construction sector. We believe it will take more than just stimulus measures to fully rejuvenate economic growth. Still, the overall market sentiment was moderately bullish today. Copper climbed above the \$9,200/t level, while tin jumped higher to the \$30,000/t resistance level. Moves elsewhere were less pronounced: aluminium edged back below \$2,600/t, and nickel remained broadly below the \$16,000/t mark at \$15,996/t.

Precious metals gained momentum as last week's increased expectations of a Fed rate cut next week continued to drive demand. Gold advanced to \$2,672/oz, while silver surged above the key \$32.20/oz level. Oil prices also rose, with WTI trading at \$68.80/bbl and Brent crude at \$72.60/bbl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2604	2623	2584	2588	2608	16549	692408	-43.39	117.57
Copper	9103	9260	9067	9232	9093	19536	274221	-111.50	418.85
Lead	2065	2097	2061	2067.5	2067	5283	133582	-28.16	93.80
Nickel	16020	16135	15915	15996	15995	4825	224875	-232.62	725.98
Tin	28955	29980	28950	29918	29080	597	20880	-246.00	1353.53
Zinc	3071	3154	3062	3126	3072	12047	244992	-19.45	141.75
					Total:	58837	1590958		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash	3M
Aluminium	2556	2596.5	2622.95	2660.45	2569.84	2603.5	2576	2606.083333
Copper	9104	9216	9358.21	9503.21	9011.91	9122.5	8979	9094.5
Lead	2063	2093	2140.49	2174.49	2043.34	2071.5	2054.25	2083.333333
Nickel	15710	15950	16692.87	17491.87	15824.52	16047	15718.333333	15959.16667
Tin	29050	29210			28934	29151	28686.66667	28960.83333
Zinc	3110.5	3133	3118.13	3004.88	3052.89	3071.5	3085.5	3100.583333

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets Last	% Change
Aluminium	684600	0	3000	-3000	681600	299475	382125	Comex, USc/lb	
Copper	269800	200	200	0	269800	10225	259575	DEC 24	413.85
Lead	271375	0	75	-75	271300	37475	233825	MAR 25	419.65
Nickel	165264	1242	84	1158	166422	23472	142950	Shanghai, CNY/mt	
Tin	4710	0	0	0	4710	305	4405	01-Dec	74810
Zinc	278850	0	725	-725	278125	107075	171050	01-Jan	74790

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	20346	-0.19	GBP	1.2778	0.2668	Gold	2666.56	1.2604	2636.5
DJI	44645	0.01	JPY	151.2400	-0.8199	Silver	32.01	3.3671	2637.30
S&P500	6064	-0.43	EUR	1.0569	0.0095	Gold Comex	2689.3	1.117	
SSE	3403	-0.05	CNY	7.2585	0.1819	Platinum	948.46	1.8153	
Hg Seng	20414	2.76	AUD	0.6460	1.0796	Palladium	987.82	2.8668	
Brent	72	1.63	CAD	1.4121	0.2549				

Source: Bloomberg
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All price data is from 09.12.2024 as of 17:30

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