

# Investments - Flash



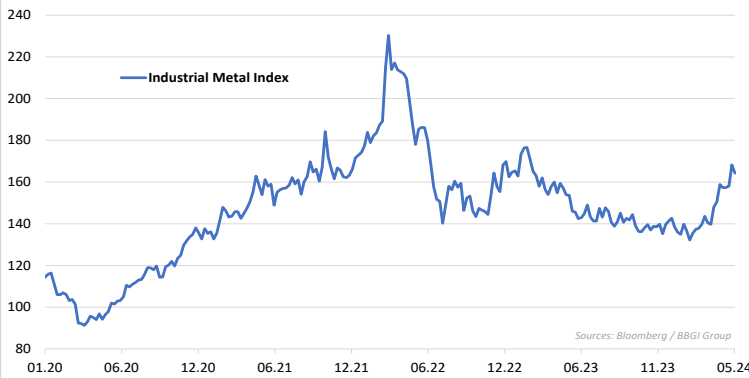
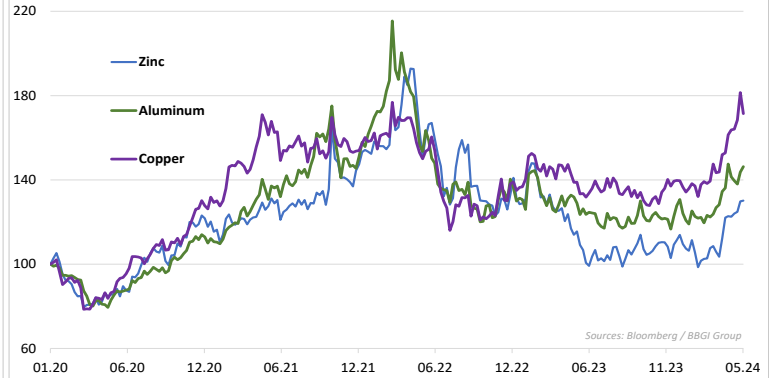
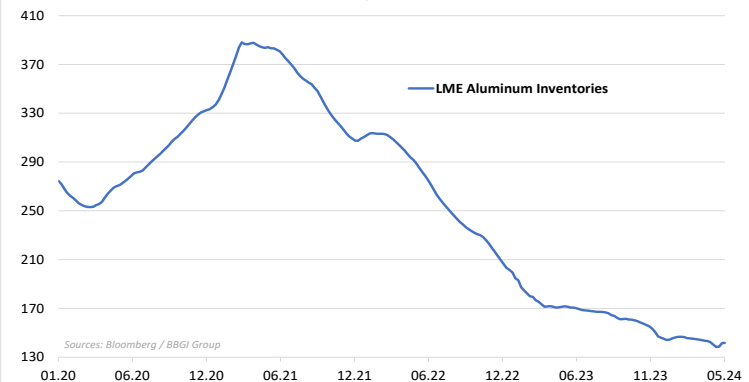
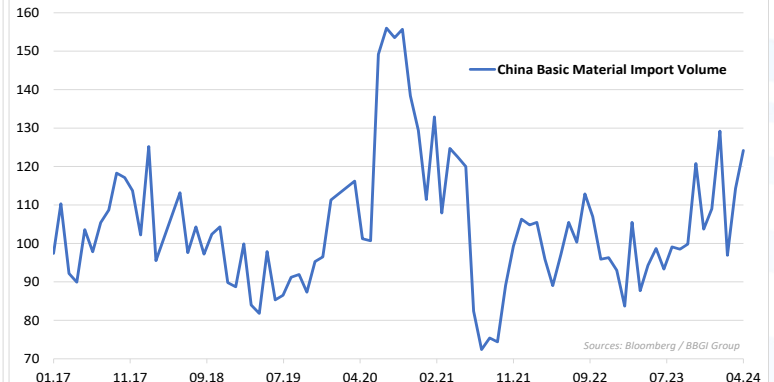
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## INDUSTRIAL METALS CONTINUE THEIR UPWARD TREND

### Positive impact of China's industrial and manufacturing recovery

Since our change to a more favorable outlook for the industrial metals segment at the end of March, the Bloomberg Industrial Metals index has jumped +25%. Today, as China appears to be stepping up its efforts to support its real estate market, investor sentiment is improving and contributing to the rise in industrial metals. There have recently been some concrete signs of support for the physical real estate market in China, such as the lowering of personal financing rates for home purchases and more concrete action by Chinese cities, which are beginning to participate in the process of stimulating and supporting the sector. Weakening growth expectations in Europe and the USA do not seem to be weighing on the stock market climate for metals, which are generally rather affected by the level of Chinese demand.

The fall in Capex in recent years continues to weigh on supply levels, limiting the risk of an increase in inventories, which are still relatively low. Inventories will not be an adjustment variable in the face of recovering demand. The expected reversal of the upward trend materialized more clearly for copper (+27%), zinc (+24%) and aluminum (+19%). A temporary consolidation is certainly likely after such a short-term advance. But this should be seen as a new opportunity for bullish positioning in the months ahead. The revival of China's industrial sector (+6.7% year-on-year) and an acceleration in the manufacturing sector (+7.5% year-on-year) since the start of the year are important factors that point to continued growth in demand for metals and further price rises in the third quarter of 2024.


**Evolution of the Bloomberg Industrial Metal Index**

**Zinc, Aluminum & Copper Prices**

**London Metal Exchange's Aluminum Inventories**

**China's Basic Material Import Volume**


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