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Daily Base Metals Report

Global stock markets plummeted today, with the VIX, a measure of market volatility, surging above 65 points, its highest level since 2020. This spike was driven by renewed fears of a possible US recession following weaker-than-expected labour market data published last Friday. The sell-off was intensified by last week's Bank of Japan (BoJ) interest rate hike, which pushed investors to unwind their yen carry trades. As traders liquidated their positions to repay yen loans, they sold stocks and other assets, leading to a broad-based sell-off. The dollar index continued its decline, finding support at 102.5, while the 10-year US Treasury yield briefly fell to its lowest level since June 2023 before rebounding to 3.8%.

The equity downturn spilled over into the base metals complex, causing decreases across the board. After a brief rally, copper plunged by almost 5%, touching \$8,700/t before stabilising around \$8,900/t. Aluminium fluctuated, trading slightly lower at \$2,250/t, while nickel decreased to \$16,255/t. Elsewhere, lead dropped by 3%, standing at \$1,965/t, and zinc declined to \$2,635/t.

Despite gold's typical role as a safe-haven asset, the plummet in global equities led investors facing margin calls to sell their profitable gold positions to cover their stock market losses. This liquidation pressure caused a drop in gold prices alongside the decline in equities. Gold stood at \$2,408/oz, while silver plummeted to \$27.3/oz. Recession fears also pushed down oil prices, with WTI and Brent crude trading at \$72.9/bbl and \$76.2/bbl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2261	2283	2226	2250	2263	28312	658469	-61.84	102.20
Copper	9064	9172	8714	8888.5	9087	44853	291121	-130.00	403.93
Lead	2027	2038	1927	1930.5	2035	11869	146227	-51.25	87.84
Nickel	16350	16430	15950	16276	16350	6173	207194	-258.90	738.23
Tin	30000	30650	28810	29484	30295	827	19017	-130.00	1333.58
Zinc	2647	2693	2563	2633.5	2662	15080	220163	-56.76	119.64
					Total:	107114	1542191		

Official Prices	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash	3M
Aluminium	2167	2226.5	2405.87	2500.87	2202.67	2263.5	2203.333333	2262
Copper	8620.5	8757	9378.8	9528.8	8933.85	9055.5	8865.166667	8998.333333
Lead	1917	1966	2126.98	2156.98	1977.93	2023	1988	2028
Nickel	15660	16000	17227.12	17977.12	16012.74	16273	15895	16201.66667
Tin	28900	28950			30163	30188	29578.33333	29733.33333
Zinc	2522	2578	2684.25	2651.75	2597.51	2653	2590.5	2649.833333

LME Stocks (tonnes)	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets Last	% Change
Aluminium	925625	0	4000	-4000	921625	563450	358175	Comex, USc/lb	
Copper	246500	6325	1475	4850	251350	17600	233750	SEP 24	410.3 0.5
Lead	231600	0	4750	-4750	226850	62000	164850	DEC 24	414.35 0.46
Nickel	110124	0	18	-18	110106	6498	103608	Shanghai, CNY/mt	
Tin	4720	0	25	-25	4695	340	4355	01-Aug	72860 -0.91
Zinc	232550	0	2775	-2775	229775	20175	209600	01-Sep	73060 -1.19

Global Markets	% Change	Currencies	Last	% Change	Precious Metals	Last	% Change	Previous Day's Fix
DAX	17339	GBP	1.2773	-0.2187	Gold	2404.04	-1.6044	2461.75
DJI	38943	JPY	144.1100	1.6793	Silver	27.23	-4.6681	2469.85
S&P500	5214	EUR	1.0958	0.4308	Gold Comex	2444.7	-1.016	2895
SSE	2861	CNY	7.1400	0.4510	Platinum	918.75	-4.2919	
Hg Seng	16698	AUD	0.6495	-0.2457	Palladium	866.26	-3.235	
Brent	77	CAD	1.3823	0.3617				

Source: Bloomberg
Updated: 05/08/2024 17:30

All price data is from 05.08.2024 as of 17:30

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