



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

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Daily Base Metals Report

US stocks dipped at the opening today. The final S&P US Manufacturing PMI came in lower at 47.9, reflecting ongoing challenges in the sector. The ISM Manufacturing Index for August was also below expectations at 47.2, compared to the forecast of 47.5. Despite these weaker indicators, recent economic data from the US continue to show underlying strength, even amid a prolonged period of elevated interest rates. This has led investors to increase their expectations of a 50bps interest rate cut in September, with forward swaps currently pricing in nearly a 40% chance of such a move. However, we maintain our expectation that the Fed will proceed with a more measured 25bps cut. This approach would allow the Fed to better assess the economic impact and adjust its strategy as needed, reducing the risk of overreacting to recent data. The dollar hovered around the 101.7 level, while the 10-year US Treasury yield dropped to 3.83%.

Base metals softened today, offsetting the gains that we made in the last couple of weeks. Copper led the decline following the bearish forecasts from analysts that cited a shrinking outlook from Chinese demand. This prompted copper to correct below the robust \$9,000/t level to \$8,954.50/t. While we do see confidence in Chinese recovery soften, the longer-term outlook remains in the supply/demand deficit, which should help maintain the robust support level at \$8,700/t intact. The rest of the complex followed suit. Aluminium is now seen testing the \$2,400/t level, while nickel weakened to \$16,462/t.

Precious metals declined today, with gold dropping to \$2,479/oz and silver decreasing to \$27.8/oz. Oil continued its downward trend, with WTI and Brent crude falling to \$70.5 and \$73.9, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2424	2429	2394	2407.5	2424	15134	804815	-17.50	109.09
Copper	9189	9222	8927	8954.5	9218	27884	280467	-123.50	406.72
Lead	2064	2067	2029	2049.5	2062	3203	148577	-35.00	92.35
Nickel	16675	16740	16295	16462	16670	6705	206191	-235.00	746.85
Tin	31300	31610	30445	30745	31275	726	18437	-145.00	1396.85
Zinc	2830	2848	2797	2846	2834	9549	221188	-50.62	128.50
					Total:	63201	1477655		

Official Prices						Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2382	2405	2530	2606.26	2402.27	2424	2386.25	2410.25
Copper	8856	8980	9446.32031	9569.320313	9057.34	9183	8945	9068.5
Lead	2006	2043	2163.59	2208.59	2024.5	2059.5	2013	2046.5
Nickel	16285	16520	17458.2305	18128.23047	16383.96	16625	16365	16585
Tin	30875	30900			31340	31384	31087.5	31052.5
Zinc	2750	2805	2867.86	2784.36	2790.38	2841	2764	2820

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	847425	0	3500	-3500	843925	498825	345300	Comex, USc/lb	
Copper	320650	500	3350	-2850	317800	22000	295800	SEP 24	401.65
Lead	179375	0	1500	-1500	177875	14200	163675	DEC 24	407.8
Nickel	119316	0	24	-24	119292	9030	110282	Shanghai, CNY/mt	
Tin	4630	5	50	-45	4585	650	3935	01-Sep	73400
Zinc	243225	0	1900	-1900	241325	23750	217575	01-Oct	73450

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	18757	-0.92	GBP	1.3094	-0.3956	Gold	2480.48	2502	2498.60
DJI	41097	-1.12	JPY	145.7300	0.8166	Silver	27.90		2862
S&P500	5572	-1.35	EUR	1.1040	-0.2890	Gold Comex	2511.9		
SSE	2803	-0.29	CNY	7.1221	-0.0674	Platinum	906.38		
Hg Seng	17651	-0.23	AUD	0.6719	-1.0602	Palladium	939.37		
Brent	74	-4.28	CAD	1.3546	-0.3839				

Source: Bloomberg
Updated: 03/09/2024 17:30

All price data is from 03.09.2024 as of 17:30

Risk warning

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