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TUE 10 SEPTEMBER 2024 00:10

Daily Base Metals Report

US stocks opened higher today. The focus is firmly on the upcoming Fed meeting. Markets are currently pricing in a 30% chance of a 50bps rate cut, though we expect a more cautious 25bps move, as a larger cut might be seen as premature. The dollar index edged higher, nearing 101.6, while the 10-year US Treasury yield dipped slightly, sitting just above 3.71%. The broader market remains cautious as China's core inflation cooled to its lowest level in over three years, intensifying deflationary concerns and raising doubts about the region's economic recovery. This slowdown is weighing heavily on global demand, particularly for energy and metal commodities, adding to the uncertainty in the markets.

China's key inflation metric has cooled to its weakest level in over three years, signalling a slowdown in the region's economic performance. Deflationary pressures are becoming more prominent, which is weakening market confidence in the region's recovery and muting the overall demand picture. However, the LME base metals complex showed little reaction to this news. Instead, copper opened on the front foot following the stock inflow cancellations, and aluminium hesitated below the \$2,350/t level. The metals closed at \$9,097/t and \$2,350.50/t, respectively. There is a growing dislocation between metals' performance and macroeconomic fundamentals, indicating that the complex is trading basis mean-reversion strategy as there is no significant incentive from the physical space. We expect metals to trade sideways this week.

Precious metals saw mixed movements, with gold hovering around the \$2,500/oz mark as uncertainty surrounding the Fed's next move persists. Silver, however, rose to \$28.2/oz. Oil prices remained flat, with WTI at \$68.3/bbl and Brent crude at \$71.6/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2345	2362	2327	2350.5	2342	18970	611103	-23.00	106.91
Copper	8972	9149	8941	9097	8954	15831	279437	-125.00	412.57
Lead	1966	1979	1946	1953	1970	6054	146618	-39.75	88.75
Nickel	15940	16055	15825	15903	15860	4858	208111	-245.82	722.81
Tin	31000	31265	30470	30818	30840	388	18871	-138.90	1402.75
Zinc	2701	2756	2690	2731	2705	11729	232327	-46.50	123.90
					Total:	57830	1496467		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2318	2333.5	2459.1	2510	2321.27	2342	2365.333333	2385.416667	
Copper	8989.5	9115	9247.16016	9336.160156	8875.52	8996	8939.666667	9063.416667	
Lead	1915	1953.5	2058.82	2100.82	1923.25	1963	1976.666667	2013.75	
Nickel	15655	15895	16715.2305	17390.23047	15637.1	15893	16002.5	16217.5	
Tin	31050	31005			30960.46	31024	30870.83333	30835	
Zinc	2682	2734	2742.32	2658.82	2667.98	2717.5	2724.25	2777.833333	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	833425	4925	3500	1425	834850	484625	350225	Comex, USc/lb		
Copper	317575	500	1625	-1125	316450	36825	279625	SEP 24	401.45	-1.55
Lead	177525	0	525	-525	177000	14225	162775	DEC 24	407.35	-1.55
Nickel	121716	18	78	-60	121656	9666	111990	Shanghai, CNY/mt		
Tin	4685	0	0	0	4685	750	3935	01-Sep	72080	-0.62
Zinc	238375	0	1825	-1825	236550	27925	208625	01-Oct	72120	-0.65

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	18431	0.71	GBP	1.3083	-0.3504	Gold	2498.41	0.04	2517.7	2506.15
DJI	40888	1.35	JPY	142.8700	-0.3990	Silver	28.22	1.0356		2884
S&P500	5451	0.79	EUR	1.1042	-0.3789	Gold Comex	2527.5	0.115		
SSE	2736	-1.06	CNY	7.1136	-0.2193	Platinum	940.4	1.6967		
Hg Seng	17197	-1.42	AUD	0.6661	-0.1499	Palladium	939.63	2.5741		
Brent	71	0.51	CAD	1.3564	0.0664					

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

All price data is from 09.09.2024 as of 17:30

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