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# Daily Base Metals Report

US equities opened higher today, with the Dow Jones and S&P 500 both reaching record highs once again. The market responded positively to the Fed's 50bps rate cut, as lower interest rates are expected to stimulate corporate earnings and economic growth while encouraging investors to shift towards riskier assets like stocks. Fed Chair Jerome Powell reassured investors, stating that the US economy remains strong, with no recession risks on the immediate horizon.

Meanwhile, the dollar index showed little reaction to the rate cut, hovering just below 101 at the time of writing, while the 10-year yield climbed to 3.72%. The Fed's 50bps rate reduction underscored its commitment to take decisive action, if necessary, particularly in the face of potential weakness in the labour market. However, there is some caution that weaker economic data could be misinterpreted as overly dovish, leading the market to price in more cuts than warranted. We anticipate this could weigh on the dollar as the election period approaches.

The base metals space also benefitted from the Fed's decision, incentivising investors towards riskier assets. Still, market reaction was relatively muted, as we believe that most risks have been repriced to the tail- end of the curve. Copper rallied to test the \$9,600/t level before coming back to \$9,514/t – marking a high not seen since July. Aluminium remained elevated at \$2,539.50/t. Lead jumped higher to \$2,074.50/t, while zinc fluctuated around \$2,900/t.

Precious metals appreciated today, with gold rebounding after last evening's drop and nearing record highs again at \$2,582/oz. Silver also rose, reaching \$30.86/oz. Oil prices continued to climb, with WTI increasing to \$71.80/bbl and Brent crude rising to \$74.60/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2522	2569	2506	2539.5	2522	22953	615718	-10.16	115.21
Copper	9372	9587	9312	9515	9400	27580	271446	-126.63	431.78
Lead	2033	2091	2022	2074.5	2032	7405	145014	-31.50	94.12
Nickel	16205	16470	16110	16333	16200	5255	208240	-235.98	740.95
Tin	31600	32100	31100	31823	31555	558	18338	-199.00	1446.97
Zinc	2880	2945	2848	2929.5	2884	11016	242768	-30.85	132.88
					<b>Total:</b>	<b>74767</b>	<b>1501524</b>		

#### Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	3M
Aluminium	2523	2538	2633.29	2698.29	2526.34	2536.5	2408.464286	2425.607143
Copper	9405.5	9534	9639.39	9719.39	9266.06	9400.5	9066.357143	9193.035714
Lead	2046	2072	2131.78	2171.53	2004.03	2037.5	1983.321429	2018.857143
Nickel	16110	16375	17081.0195	17713.01953	15980.73	16233	15918.21429	16160.35714
Tin	31925	32025			31394	31594	31242.5	31279.28571
Zinc	2892	2930	2900	2826.5	2855.15	2886	2778.25	2824.178571

#### LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	813500	0	500	-500	813000	463250	349750	Comex, USc/lb		
Copper	305250	0	325	-325	304925	21125	283800	SEP 24	423.8	0.58
Lead	204550	0	800	-800	203750	12375	191375	DEC 24	429.9	0.61
Nickel	123726	240	42	198	123924	8820	115104	Shanghai, CNY/mt		
Tin	4755	40	5	35	4790	185	4605	01-Sep	0	0.00
Zinc	251850	6475	1525	4950	256800	27675	229125	01-Oct	74890	0.60

#### Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	19000	1.54	GBP	1.3277	0.4768	Gold	2586.69	1.0856	2570.10
DJI	41923	1.01	JPY	142.9200	-0.4408	Silver	31.04	3.2	3059
S&P500	5712	1.67	EUR	1.1145	0.2338	Gold Comex	2611.9	0.512	
SSE	2736	0.69	CNY	7.0679	0.1273	Platinum	991.58	1.8624	
Hq Seng	18013	2.00	AUD	0.6814	0.7392	Palladium	1094.25	3.4683	
Brent	75	1.86	CAD	1.3563	0.3097				

Source: Bloomberg  
Updated: 19/09/2024 17:30

All price data is from 19.09.2024 as of 17:30

#### Risk warning

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