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# Daily Base Metals Report

US stocks opened higher today, driven by a much stronger-than-expected Nonfarm Payrolls report for September, which showed an increase of 254k jobs—the highest figure since March—well above the 142k recorded in August. The unemployment rate edged down to 4.1%, further indicating resilience in the US labour market. The dollar index surged to 102.5, nearly 2% higher than mid-September levels when the Fed implemented its first 50bps interest rate cut in its new easing cycle. The 10-year US Treasury yield also jumped to 3.94%, marking its highest point since July. In recent months, market reactions to non-farm payrolls have typically been strong but short-lived, and today's data reinforces the view that the US labour market remains robust despite the prolonged period of high interest rates. This development has tempered expectations for aggressive rate cuts. While forward swaps last week were pricing in a 60% chance of a 50bps cut in November, expectations have now shifted to a more moderate 25bps reduction.

In the coming weeks, we expect recent base metals' gains to subside as investors come to terms with China's subdued economic reality. In particular, the copper rally is stalling as market appetite struggles to push prices above the \$10,000/t level. With further clarifications on Chinese stimulus measures following the national holiday, expect to see some gains in copper next week. However, the longer-term narrative of subdued growth means that these gains are likely to be marginal, and markets will struggle to breach the \$10,200/t level completely. Today's subdued market action confirms a lack of upside appetite, with aluminium, nickel, and copper posting intraday moves.

Despite the dollar's strength, gold edged higher, nearing the \$2,670/oz mark, bolstered by ongoing tensions in the Middle East and anticipation of further Fed rate cuts. Silver also surged, trading at \$32.72/oz. Meanwhile, oil extended its upward trend, with WTI and Brent crude trading at \$74.7/bbl and \$78.5/bbl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2631	2679	2630	2653	2638	15716	648598	-10.94	120.57
Copper	9908	10015	9880	9943.5	9894	13694	301999	-147.09	450.67
Lead	2140	2160	2136	2149.5	2145	4104	146252	-46.53	97.50
Nickel	17770	18045	17715	17992	17850	6925	213663	-248.67	811.71
Tin	33845	33895	33650	33805	33800	337	20731	-35.00	1537.24
Zinc	3129	3195	3119	3166	3117	8548	258037	-22.50	143.63
					<b>Total:</b>	<b>49324</b>	<b>1589280</b>		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2654	2665.5	2742.74	2782.74	2618.58	2629	2640.5	2643.625
Copper	9784	9936	10232.7305	10349.73047	9717.92	9866	9798.375	9944.25
Lead	2107	2154	2266.71	2321.71	2093.48	2142.5	2091.375	2137.25
Nickel	17600	17830	18739.8594	19379.85938	17339.51	17589	17642.5	17920
Tin	33805	33775			33699	33709	33860	33850
Zinc	3144	3168.5	3158.46	2962.71	3095.62	3124	3129.75	3156.125

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	785450	0	2675	-2675	782775	384025	398750	Comex, USc/lb	
Copper	298100	600	175	425	298525	31975	266550	DEC 24	458.9
Lead	199125	0	500	-500	198625	7825	190800	MAR 25	462.05
Nickel	131088	864	0	864	131952	8034	123918	Shanghai, CNY/mt	
Tin	4565	15	0	15	4580	720	3860	01-Sep	0
Zinc	247075	0	1750	-1750	245325	26925	218400	01-Oct	0

Global Markets		Currencies		Precious Metals			Previous Day's Fix			
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	19121	0.55	GBP	1.3106	-0.1372	Gold	2651.86	-0.1517	2644	2647.65
DJI	42145	0.32	JPY	148.8500	-1.2899	Silver	32.49	1.4689		3150
S&P500	5725	0.44	EUR	1.0955	-0.6890	Gold Comex	2671.8	-0.276		
SSE	3336	8.06	CNY	7.0187	-0.1083	Platinum	997.85	0.229		
Hq Seng	22737	2.82	AUD	0.6790	-0.7310	Palladium	1006.25	-0.0854		
Brent	79	1.56	CAD	1.3583	-0.2061					

Source: Bloomberg  
Updated: 04/10/2024 17:30

All price data is from 04.10.2024 as of 17:30

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