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# Daily Base Metals Report

US stocks opened lower today after hovering near record highs last week. Investors are now focused on Thursday's CPI report, which is expected to clarify the Fed's next move in its monetary easing cycle. At the start of last week, markets were pricing in a 50bps cut for November, but Friday's unexpectedly strong Nonfarm Payrolls report has tempered these expectations. Now, there is an 80% chance of a more modest 25bps cut being priced in. Signs of a robust US labour market, combined with escalating geopolitical tensions in the Middle East, have put strong upward pressure on the dollar, which remained steady at 102.5 today. Meanwhile, the 10-year Treasury yield surged above 4% for the first time since July.

Base metals kept steady today, keeping the recent highs intact. Given prevailing market uncertainty about the future price potential, markets are hesitant to break out of the current ranges. Tomorrow, the top Chinese economic planner is meeting to discuss a package of policies aimed at economic growth. This could temporarily increase risk appetite for the market if the support is directed towards the country's construction sector. Aluminium and copper held their nerve at \$2,658/t and \$9,929.50/t, respectively. Nickel remained above the \$18,000/t. Lead and zinc edged higher on the open but struggled to breach the previous week's resistance levels, prompting them to remain at \$2,148.50/t and \$3,174.50/t, respectively.

The lowering of expectations for a larger rate cut and the rising dollar have dampened the potential for precious metals to appreciate further. Gold edged slightly lower today, trading at \$2,645/oz, while silver slipped below the \$32/oz mark, trading at \$31.7/oz. This day marks a year since the initial Hamas attack on Israel, which ignited the ongoing conflict. The recent escalations in the region continue to influence oil prices, with WTI and Brent crude trading at \$76.1/bbl and \$79.8/bbl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2663	2669	2642	2658	2664	10497	650575	-10.51	120.75
Copper	9980	10015	9860	9929.5	9956	12177	300040	-149.50	450.22
Lead	2156	2167	2148	2148.5	2150	3181	146008	-46.53	97.66
Nickel	17850	18225	17815	18052	17865	5878	212682	-259.12	817.16
Tin	33875	34110	33805	33905	33900	436	20485	-60.00	1537.92
Zinc	3175	3189	3155	3174.5	3171	7638	259644	-22.50	143.90
					<b>Total:</b>	<b>39807</b>	<b>1589434</b>		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2655.5	2655.5	2742.74	2782.74	2642.06	2653	2643.5	2646	
Copper	9816.5	9964	10232.7305	10349.73047	9796.41	9943.5	9802	9948.2	
Lead	2110.5	2164	2266.71	2321.71	2102.97	2149.5	2095.2	2142.6	
Nickel	17875	18130	18783.9805	19423.98047	17743.33	17992	17689	17962	
Tin	34100	34100			33770	33805	33908	33900	
Zinc	3154	3176	3158.46	2962.71	3143.5	3166	3134.6	3160.1	

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	782775	0	2500	-2500	780275	381525	398750	Comex, USc/lb	
Copper	298525	25	1250	-1225	297300	30725	266575	DEC 24	457.4
Lead	198625	0	0	0	198625	9075	189550	MAR 25	461.1
Nickel	131952	0	96	-96	131856	8328	123528	Shanghai, CNY/mt	
Tin	4580	0	55	-55	4525	675	3850	01-Sep	0
Zinc	245325	0	1225	-1225	244100	27275	216825	01-Oct	0

Global Markets		Currencies		Precious Metals		Previous Day's Fix			
Last	% Change	Last	% Change	Last	% Change	AM	PM		
DAX	19094	-0.14	GBP	1.3077	-0.3429	Gold	2648.27	-0.2009	2657.5
DJI	42175	-0.42	JPY	148.0700	0.4255	Silver	31.73	-1.4528	3206
S&P500	5737	-0.24	EUR	1.0977	0.0273	Gold Comex	2667.8	0.000	
SSE	3336	8.06	CNY	7.0187	-0.1083	Platinum	977.94	-1.472	
Hg Seng	23100	1.60	AUD	0.6762	-0.4857	Palladium	1022.71	0.9476	
Brent	81	3.19	CAD	1.3608	-0.2352				

Source: Bloomberg  
Updated: 07/10/2024 17:30

All price data is from 07.10.2024 as of 17:30

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