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Daily Base Metals Report

US stocks rose at the opening today. The latest macroeconomic data showed the US trade deficit narrowing in August, from an upwardly revised -\$78.9 billion in July to -\$70.4 billion. This improvement came as exports surged to a record high, indicating continued strength in US manufacturing and robust foreign demand for American goods and services. This development suggests trade could contribute positively to GDP growth for the quarter or at least have a smaller negative impact compared to previous months. Along with strong labour market and consumer spending data, this reinforces expectations that the previously anticipated 50bps rate cut is now off the table. Instead, a more modest 25bps cut seems more likely, as the economy is showing greater resilience than expected. The dollar index rose again, trading at 102.57, while the 10-year US Treasury yield edged higher, standing above 4%.

The base metals complex dropped today following a weaker-than-expected Chinese stimulus announcement. Although policymakers expressed confidence in achieving economic targets, a lack of additional major stimulus measures led to widespread market disappointment. Still, the decline in the metals sector was not as severe as that observed in Chinese equities, indicating a current lack of risk-off sentiment in the metals market. We anticipate that the initial price boost from China's return from the Golden Week earlier in the day absorbed some of the later downside experienced by the market. We expect prices to edge slightly lower in the near term as metals revert to their mean. In the meantime, aluminium and copper breached near-term support levels of \$2,600/t and \$9,800/t, respectively, as nickel remained above the \$17,500/t level. Lead and zinc also weakened.

Precious metals faced downward pressure today as the continued signs of US economic strength temper expectations for faster Fed easing. The potential for slower rate cuts keeps Treasury yields elevated, reducing the appeal of non-yielding assets like gold and silver. Gold dropped to \$2,614/oz, while silver plunged to \$30.35/oz. Meanwhile, disappointing stimulus measures from China added downward pressure on oil prices, with WTI and Brent crude falling to \$73.3/bbl and \$77/bbl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2655	2664	2565	2571	2654	22984	649186	-16.25	116.51
Copper	9948	9988	9700	9742.5	9953	30236	300565	-148.50	442.94
Lead	2151	2156	2085	2103	2153	6925	146531	-50.26	95.37
Nickel	17925	18085	17523	17776	17955	9225	210222	-258.33	802.41
Tin	33780	33900	32810	32867	33890	839	20756	-76.00	1493.01
Zinc	3173	3191	3080	3091	3180	15495	260791	-25.00	139.75
					Total:	85704	1588051		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2569	2585.5	2672.69	2742.69	2644.97	2658	2631.083333	2635.916667
Copper	9619	9775	10216.58	10336.58	9777.73	9929.5	9771.5	9919.333333
Lead	2053.5	2103	2262.47	2317.47	2098.24	2148.5	2088.25	2136
Nickel	17420	17675	18508.1797	19148.17969	17792.88	18052	17644.16667	17914.16667
Tin	33175	33110			33845	33905	33785.83333	33768.33333
Zinc	3083	3107	3152.45	2934.45	3150.74	3174.5	3126	3151.25

LME Stocks (tonnes)						Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	780275	0	2500	-2500	777775	379025	398750	Comex, USc/lb	
Copper	297300	0	1025	-1025	296275	30200	266075	DEC 24	456.65
Lead	198625	0	200	-200	198425	9225	189200	MAR 25	460.5
Nickel	131856	0	6	-6	131850	8406	123444	Shanghai, CNY/mt	
Tin	4525	0	20	-20	4505	660	3845	01-Sep	0
Zinc	244100	0	1700	-1700	242400	25775	216625	01-Oct	0

Global Markets		Currencies			Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	19066	-0.20	GBP	1.3090	0.0535	Gold	2611.93	-1.1602	2651.6
DJI	42019	0.16	JPY	148.1900	-0.0067	Silver	30.33	-4.2828	3188
S&P500	5739	0.76	EUR	1.0972	-0.0364	Gold Comex	2630.8	-1.320	
SSE	3490	4.59	CNY	7.0617	-0.6089	Platinum	955.89	-2.1637	
Hq Seng	20927	-9.41	AUD	0.6737	-0.2960	Palladium	1006.17	-2.0044	
Brent	77	-4.35	CAD	1.3663	-0.3147				

Source: Bloomberg
Updated: 08/10/2024 17:30

All price data is from 08.10.2024 as of 17:30

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