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# Daily Base Metals Report

The US stock market started positively in the morning, continuing this week's upward trend. However, momentum slowed later in the day after the release of the US CPI, which showed that inflation softness was not as robust as the market had expected. In particular, US CPI grew by 2.4% YoY, coming in 0.1pp higher than anticipated for the month of September. Food and shelter continue to contribute to inflation stickiness. Meanwhile, the initial jobless claims came in higher than expected at 258,000, marking the highest level since last summer. The mixed economic picture prompted the 10-year US Treasury yield to rise to 4.08% and the dollar to fluctuate around the 102.90 level. In turn, forward swaps solidified market conviction for a 25bps cut in November. We anticipate a slow and steady approach from the Fed going into next year, with 25bps cuts in November and December meetings, as a strong economic performance coupled with decreasing inflation pressures may weaken policymakers' resolve for aggressive interest rate cuts.

Base metals performance was disconnected from macroeconomic news, with prices holding firmly near the previous day's lows on the open. Markets have now digested the China stimulus story and will likely shift their focus back to economic indicators to gauge the path forward. With economic performance remaining muted, we expect base metals prices to reflect this by softening slightly in the coming days. Copper might edge slightly below the \$9,600/t level as aluminium dips below \$2,500/t. We do not expect much downside beyond these levels in the near term. In the meantime, prices held firmly today; aluminium and copper remained above the aforementioned support levels at \$2,586/t and \$9,723/t, respectively. Nickel hesitated below the \$17,500/t level.

Oil futures continued to pare gains as tensions in the Middle East added to supply worries, prompting WTI and Brent to remain above the \$70/bbl level. Despite a stronger-than-expected inflation growth, gold and silver benefitted from some risk-off appetite, gaining ground to \$2,623/oz and \$30.86/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2545	2592	2539	2586	2545	16420	641427	-15.80	117.44
Copper	9678	9768	9618	9723	9684	18474	292571	-138.00	441.15
Lead	2074	2076	2046	2066.5	2076	4695	146804	-50.84	93.80
Nickel	17405	17600	17305	17541	17485	4248	209969	-252.30	796.06
Tin	32615	33050	32565	32817	32460	723	20976	-181.01	1493.01
Zinc	3023	3092	3003	3086.5	3033	10431	260144	-21.50	140.21
					<b>Total:</b>	<b>54991</b>	<b>1571891</b>		

#### Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	3M
Aluminium	2550.5	2558	2644.95	2718.45	2525.2	2541	2608.375	2614.3125
Copper	9507	9641	9932	10120.74	9529.83	9675	9710.75	9855.875
Lead	2008	2055	2179	2232.36	2011.16	2062	2069.8125	2117.625
Nickel	17150	17450	18275.38	18915.38	17105.41	17371	17536.25	17813.75
Tin	32560	32800			32310.99	32485	33484.375	33507.5
Zinc	3017	3034.5	3015.8	2856.8	2994.49	3020	3096.75	3121.375

#### LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	775275	0	2500	-2500	772775	374025	398750	Comex, USc/lb		
Copper	294825	5475	950	4525	299350	30025	269325	DEC 24	439.95	-1.28
Lead	196825	0	175	-175	196650	10400	186250	MAR 25	444.3	-1.27
Nickel	132372	0	60	-60	132312	8712	123600	Shanghai, CNY/mt		
Tin	4505	0	0	0	4505	700	3805	01-Oct	77180	-0.63
Zinc	244025	0	1575	-1575	242450	24225	218225	01-Nov	77010	-0.77

#### Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	19210	-0.23	GBP	1.3051	-0.1530	Gold	2620.98	0.5066	2617.55	2610.70
DJI	42406	-0.25	JPY	148.4700	0.5658	Silver	30.88	1.232		3068.5
S&P500	5780	-0.21	EUR	1.0928	-0.1006	Gold Comex	2638.1	0.461		
SSE	3302	1.32	CNY	7.0807	0.0014	Platinum	969.25	1.734		
Hq Seng	21252	2.98	AUD	0.6733	0.2233	Palladium	1066.68	2.2517		
Brent	78	2.44	CAD	1.3752	-0.2981					

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

All price data is from 10.10.2024 as of 17:30

#### Risk warning

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