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Daily Base Metals Report

US stocks edged higher on Monday, with equity markets holding back on the scale of the move given it is the last trading day of the month. With most of the central bank decisions out of the way, investors will watch out for another busy week of earnings results, with BOE's decision set to take place on Thursday. The dollar held firm above 101.50, and the 10yr US Treasury yield is back below 4.0%. Meanwhile, lower Euro area flash inflation and GDP from major bloc's economies have brought down the expectations of another ECB hike this year, with forward swaps only pricing in 17bps into the year-end. Lagarde has suggested that a pause in September might be followed by a hike later on in the year. However, given the ECB is behind the curve, the end-of-year outlook remains unclear. Volatility should be slightly higher this week as markets digest the impacts of the latest central bank decisions, and continued repricing should take place in regard to the year-end outlook.

Macro-sensitive base metals prices gained ground today on the back of stimulus optimism out of China. The nation's top economic planning agency released a wide-range policy document targeting the removal of consumption restrictions and improvement of infrastructure and other events. While this stimulus is aimed at consumers, it is unlikely to stimulate consumption in the near term. Weak consumer confidence remains a key driver in slower demand, and while supply conditions should improve, we do not expect this to drive base metals prices higher in a sustainable way. At the same time, the impact of the dollar as a headwind is lessening, but with poor summer liquidity and Wednesday expiry, volatility should rise. Aluminium gained as much as \$66/t during the day, jumping above the resistance level of \$2,250/t to close at \$2,282.50/t. Likewise, copper strengthened but struggled to breach the trend resistance level that has formed in recent weeks, which is now holding at \$8,870/t. Zinc continued to gain ground, breaching the robust resistance of \$2,500/t to close at \$2,565/t, the May high. Lead and tin remained broadly unchanged, settling at \$2,149/t and \$28,637/t, respectively.

Oil futures edged higher to \$81/bl and \$85/bl. Gold and silver shot up to \$1,970/oz and \$24.80/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2225	2289	2224	2282.5	2227	20207	679010	-37.69	103.56
Copper	8693	8841	8628	8831.5	8675	24118	279956	-33.00	399.96
Lead	2156	2166	2142	2149	2155	3786	121347	-3.25	97.86
Nickel	22315	22335	21805	22293	22300	3281	150362	-228.00	1009.93
Tin	28890	28895	28600	28637	28675	230	15706	5.00	1305.00
Zinc	2507	2575	2487	2565	2493	12904	202009	0.81	116.23
Total:						64526	1448390		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2195.5	2242	2440.26	2554.76	2185	2222	2152.380952	2197.928571	
Copper	8635.5	8670.5	8708.25	8728.25	8625.49	8662.5	8445.261905	8467.452381	
Lead	2150	2155	2159.25	2174.25	2154.5	2158.5	2106.880952	2105.952381	
Nickel	21625	21905	23357	24257	22079	22307	20898.333333	21144.7619	
Tin	28900	28825			28808	28740	28751.42857	28386.66667	
Zinc	2550	2540	2587.31	2592.31	2502.25	2497.5	2396.595238	2409.47619	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	509000	500	2100	-1600	507400	224525	282875	Comex, USc/lb		
Copper	64425	3925	0	3925	68350	450	67900	JUL 23	386.35 -0.69	
Lead	52775	1475	50	1425	54200	4550	49650	SEP 23	387.55 -0.68	
Nickel	37542	0	6	-6	37536	1788	35748	Shanghai, CNY/mt		
Tin	5215	60	0	60	5275	25	5250	23-Aug	68940 -0.46	
Zinc	99150	800	275	525	99675	35150	64525	23-Sep	68850 -0.46	

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	16447	-0.14	GBP	1.2858	0.0545	Gold	1970.96	0.5854	1950.15
DJI	35456	-0.01	JPY	142.1600	-0.7034	Silver	24.80	1.8912	2422.5
S&P500	4584	0.03	EUR	1.1020	0.0363	Gold Comex	2009.3	0.470	
SSE	3291	0.46	CNY	7.1430	0.0770	Platinum	957.84	2.0455	
Hg Seng	20079	0.82	AUD	0.6730	1.2030	Palladium	1279.34	2.3587	
Brent	86	0.67	CAD	1.3159	0.5928				

Source: Bloomberg
Updated: 31/07/2023 17:30

All price data is from 31.07.2023 as of 17:30

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