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Daily Base Metals Report

Another slide in tech mega cap stocks alongside mixed economic data prompted US equities to waver during the day. Trading volumes were low, and we expect this to continue into September. Data today showed that inflationary expectations softened into a yearly growth figure of 3.3% over the next year and 2.9% over the next ten years, just above the Fed's target. At the same time, the producer prices picked up in July, driven largely by service sector activity. The dollar tested the 102.80 level, and the 10yr US Treasury yield jumped back above 4.10%. This is despite the fact that the market has kept its outlook in regard to the September Fed pause unchanged, with 9bps priced in by the end of the year.

Meanwhile, the robust support levels that have held firm in the last couple of weeks have been breached today, and prices saw protracted declines. In particular, aluminium weakened below the \$2,200/t support level to \$2,175.50/t, and copper closed at \$8,294.50/t. Nickel tested prices below the \$20,300/t level but has so far rejected the strong downside, closing at \$20,241/t. Tin has also tested the support level at \$26,000/t before closing slightly above it at \$26,457/t. Zinc declined into a close of \$2,397.50/t, while lead remained broadly unchanged at \$2,109/t.

Oil futures edged lower, while precious metals, including gold and silver, gained marginal ground above \$1,916/oz and \$22.70/oz, respectively.

All price data is from 11.08.2023 as of 17:30

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