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Daily Base Metals Report

US stocks softened today, driven, in large, by mega stocks, following softening data coming out of the region. US nonfarm payrolls rose by 187,000 in August; while this level is back to what we have seen in May, the last couple of months were revised significantly lower. The unemployment rate rose to 3.8%, above expectations, highlighting the accelerated pace of the cooling jobs market. At the same time, wage growth has also slowed to the lowest level since February 2022, slowing down the impacts of the wage-price spiral. Still, market expectations of the end of the tightening cycle solidified, and the case for a cut was priced further down the curve. The dollar and the 10yr US Treasury yield both jumped higher, reaffirming the case for higher-for-longer interest rates.

Base metals jumped higher today after another sign from the Chinese government to boost the economy. In particular, the central bank is set to cut the amount of foreign current deposits banks can hold in hopes of propping up the currency, which has been testing the psychological 7.30 level. This came after the news of fresh stimulus for the property market, supporting the gains in construction metals. The upside has, however, cooled later on in the day. Aluminium tested the resistance at \$2,250/t before edging back down to \$2,237/t. Likewise, copper tested the \$8,600/t level, the high not seen since early August, settling at \$8,500.50/t. While both lead and zinc jumped higher, the former posted the second consecutive day of gains, testing the January levels of \$2,300/t; both metals closed higher at \$2,248.50/t and \$2,485.50/t, respectively.

Oil futures jumped higher after the fundamental tightness picture gripped the market. Gold and silver remained broadly unchanged.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2206	2260	2206	2237	2202	25348	657128	-46.75	101.47
Copper	8443	8599	8440	8500.5	8437	22321	275105	-18.50	385.76
Lead	2218	2301	2217	2248.5	2223	13338	131949	27.50	101.99
Nickel	20360	21100	20360	21085	20350	3302	153476	-189.00	957.09
Tin	25435	26050	25435	25806	25165	564	15146	-334.00	1174.82
Zinc	2437	2510	2433	2485.5	2434	10232	196550	-16.75	112.85
					Total:	75105	1429354		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2184	2234	2380.45	2505.45	2165.75	2208	2184	2234	
Copper	8515	8535	8513	8565	8404.5	8422.5	8515	8535	
Lead	2306	2271	2262	2277.5	2246.4	2218	2306	2271	
Nickel	20475	20700	21431	22517	20087	20289	20475	20700	
Tin	25600	25800			25101	25396	25600	25800	
Zinc	2457	2480	2519	2532.25	2415.7	2430.5	2457	2480	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	515750	0	7350	-7350	508400	283050	225350	Comex, USc/lb		
Copper	102900	1375	0	1375	104275	250	104025	SEP 23	377.25 -0.33	
Lead	55100	0	250	-250	54850	7750	47100	DEC 23	382.2 -0.57	
Nickel	37194	0	24	-24	37170	828	36342	Shanghai, CNY/mt		
Tin	6370	0	0	0	6370	110	6260	23-Sep	69820 0.00	
Zinc	153975	0	400	-400	153575	32600	120975	23-Oct	69470 0.00	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15840	-0.67	GBP	1.2594	-0.6234	Gold	1939.36	-0.0428	1944.2 1942.30
DJI	34742	0.06	JPY	146.1800	-0.4378	Silver	24.24	-0.8497	2453.5
S&P500	4509	0.03	EUR	1.0788	-0.5072	Gold Comex	1965.6	-0.015	
SSE	3133	0.43	CNY	7.2662	-0.1018	Platinum	971.53	-0.037	
Hg Seng	18382	-0.55	AUD	0.6448	-0.5552	Palladium	1225.83	-0.3098	
Brent	88	1.52	CAD	1.3582	-0.5448				

Source: Bloomberg
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All price data is from 01.09.2023 as of 17:30

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