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Daily Base Metals Report

European stocks opened higher today, bolstered by signs of Chinese stimulus measures; however, risk-off sentiment prevailed during the day, and prices continued to drift lower. US stocks are closed today for the Labour Day holiday. Among G10, the case for the end of the tightening cycle is solidifying, and we expect cuts to be in short supply next year as central banks prefer to do too much rather than not enough. As a result, longer-term yields should remain stable, whereas we see softness trickling through to the near end of the curve. The only exception is the UK: while inflation is cooling at a good pace, the labour market remains tight, adding to hiking expectations. We see that Europe and China are no alternatives to the US stock market, and expect that most of the cash that is not sitting on the sidelines will remain there.

Base metals weakened today, giving up some of Friday's gains. Volatility continues to diminish, leading to continued moderate fluctuations in prices. In the meantime, China has proposed tougher-than-expected rules on commodity trading as the government is tackling hidden risks in markets. Aluminium rejected price gains above \$2,242/t, softening back into \$2,201.50/t. Copper fluctuated around the \$8,500/t level. Lead and zinc softened slightly following Friday's rally, closing at \$2,223/t and \$2,479.50/t, respectively. Tin broke back above \$26,000/t to close at \$26,372/t.

Oil futures softened slightly today; both WTI and Brent continue to hold above \$80/bl, weighing on inflationary decline in major economies. Indeed, Spain's price increases in recent months were supported by consistent energy gains, and further strength in oil futures could once again threaten the path of smooth inflation cooling. Gold and silver remained broadly unchanged at \$1,938/oz and \$24.00/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2238	2242	2195	2212.5	2237	11319	665597	-48.90	100.20
Copper	8491	8534	8417	8452	8492	10605	283259	-16.00	383.49
Lead	2251	2251	2202	2223	2256	6050	135802	40.75	100.83
Nickel	20980	21055	20715	21040	20980	2370	154618	-194.00	953.01
Tin	25830	26450	25670	26372	25765	456	15396	-290.00	1193.64
Zinc	2488	2491	2464	2479.5	2487	5668	201046	-17.01	112.29
					Total:	36468	1455718		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2149.5	2197	2357.1	2483.1	2190.25	2237	2166.75	2215.5	
Copper	8406	8426	8586	8626	8479.25	8500.5	8460.5	8480.5	
Lead	2238.5	2215	2232	2249.75	2275	2248.5	2272.25	2243	
Nickel	20550	20775	22207	23257	20891	21085	20512.5	20737.5	
Tin	25560	25900			25472	25806	25580	25850	
Zinc	2455	2477	2512.25	2525.5	2468.75	2485.5	2456	2478.5	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	508400	0	2000	-2000	506400	281050	225350	Comex, USc/lb		
Copper	104275	3150	0	3150	107425	250	107175	SEP 23	381.25 1.06	
Lead	54850	500	0	500	55350	7750	47600	DEC 23	385.2 0.78	
Nickel	37170	0	0	0	37170	840	36330	Shanghai, CNY/mt		
Tin	6370	20	0	20	6390	120	6270	23-Sep	69980 0.23	
Zinc	153575	0	0	0	153575	46375	107200	23-Oct	69720 0.36	

Global Markets		Currencies		Precious Metals			Previous Day's Fix	
Last	% Change	Last	% Change	Last	% Change	AM	PM	
DAX	15825 -0.10	GBP	1.2623 0.2621	Gold	1938.45 -0.083	1944.3	1940.55	
DJI	34838 0.33	JPY	146.4800 -0.1775	Silver	24.00 -0.769		2464.5	
S&P500	4516 0.18	EUR	1.0795 0.1391	Gold Comex	1964.3 -0.142			
SSE	3177 1.40	CNY	7.2731 -0.0935	Platinum	955.2 -0.8974			
Hg Seng	18844 2.51	AUD	0.6458 0.0310	Palladium	1227.72 0.4788			
Brent	89 0.45	CAD	1.3596 -0.0294					

Source: Bloomberg
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All price data is from 04.09.2023 as of 17:30

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