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Daily Base Metals Report

US stocks fell today, and the dollar rebounded back to 104.40 as investors braced for the key inflationary reading tomorrow to help guide the Fed interest rate outlook. In the meantime, US Census Bureau data pointed out that inflation-adjusted household income fell by 2.3% y/y in 2022 after higher costs of living weighed on households' spending habits. At the same time, the ECB's decision on Thursday is still on the knife edge, with 12bps being priced in, as policymakers are seen to be split about their decision for further tightening. We expect that the ECB is more concerned with bringing inflation to the target level in a timely manner than the economy falling into a recession, so another hike worth 25bps is likely.

Marginal weakness was seen across the base metals market today on the back of dollar resilience. Base metals continued to be influenced by the dollar moves, especially on the days with little macro and fundamental data out of the US and China. Tomorrow's CPI print should help guide prices across the board. Aluminium softened slightly, fluctuating around the support level of \$2,200/t but struggling to break completely below it, settling at \$2,196.50/t. Likewise, copper edged slightly lower throughout the day but lacked the conviction to breach the \$8,350/t support; the metal closed at \$8,391/t. Nickel continued to trace lower, testing the robust support level of \$19,950/t once again to close just below at \$19,923/t. Lead and zinc closed lower at \$2,219.50/t and \$2,479/t, respectively.

Both WTI and Brent once again jumped higher, superseding a 10-month high as production cuts by OPEC+ continue to strain global supplies. Gold and silver remained broadly unchanged.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2205	2214	2187	2196.5	2204	11561	659794	-42.86	99.79
Copper	8400	8427	8351	8391	8402	10116	282373	-22.00	380.66
Lead	2249	2250	2207	2219.5	2250	6503	142561	44.50	100.56
Nickel	20465	20470	19855	19923	20485	3159	157344	-233.00	902.66
Tin	25750	25790	25360	25524	25900	189	15551	-258.00	1154.40
Zinc	2511	2517	2474	2479	2507	7338	208724	-29.05	112.67
Total:						38866	1466347		

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2153	2199	2337.75	2465.75	2161.75	2205.5	2150.3125	2197.5625	
Copper	8337.5	8365	8476.5	8521.5	8375.5	8402	8360.4375	8380	
Lead	2288	2233	2214.9	2226.9	2305.5	2249	2286.5625	2233.3125	
Nickel	19830	20025	21633	22733	20252	20485	20286.25	20484.375	
Tin	25205	25475			25538	25803	25684.375	25880.625	
Zinc	2474	2500	2517	2532.5	2485	2509.5	2443.6875	2467.375	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	495875	0	2000	-2000	493875	265575	228300	Comex, USc/lb		
Copper	134525	1125	0	1125	135650	300	135350	SEP 23	377 2.43	
Lead	52550	1100	525	575	53125	3650	49475	DEC 23	380.7 2.44	
Nickel	38280	0	0	0	38280	876	37404	Shanghai, CNY/mt		
Tin	6885	75	10	65	6950	490	6460	23-Sep	69530 0.70	
Zinc	141775	0	3375	-3375	138400	50000	88400	23-Oct	69330 0.90	

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15716	-0.54	GBP	1.2475	-0.2718	Gold	1912.54	-0.5077	1924.95
DJI	34719	0.16	JPY	147.1400	-0.3738	Silver	23.05	-0.1127	2310.5
S&P500	4472	-0.35	EUR	1.0725	-0.2326	Gold Comex	1935.2	-0.616	
SSE	3137	-0.18	CNY	7.2926	-0.0480	Platinum	913.25	1.0299	
Hg Seng	18026	-0.39	AUD	0.6421	-0.1555	Palladium	1241.63	1.6205	
Brent	92	1.71	CAD	1.3554	0.1402				

Source: Bloomberg
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All price data is from 12.09.2023 as of 17:30

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