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Daily Base Metals Report

US stocks softened on Monday as markets evaluated the impact of last week's central bank decisions on the path of inflation and economic growth in developed nations. The big releases that the market will be watching out for are the PCE and GDP from the US and CPI from Europe. While we expect core inflation to soften slightly m/m, the headline reading is likely to remain flat. Further down the line, with oil prices now above \$90/bl, the risk of stickier inflation in Q4 2023 is increasing. The dollar jumped above 106, and the 10yr US Treasury yield is now at 4.50%, the high not seen since 2007.

Metals softened today, but the move was marginal despite Chinese property stocks tumbling, driven by a concern of an Evergrande liquidation and its implication on a broader construction segment. Copper was a big mover last week, and this momentum continued into Monday; the metal tested the support level of \$8,100/t but struggled below it, closing at \$8,145.50/t. While forward price moves remain tight, the spreads continue to widen, with cash to 3-month now near -\$70.00/t. The far end of the curve is in a deeper contango, making it more expensive to hold the position. Aluminium remained unchanged at \$2,233.50/t. Both lead and zinc traded inside Friday's ranges, closing at \$2,181/t and \$2,532/t, respectively.

Oil futures softened while gold and silver sold off, weighed on by the compounding factors of rising dollar and Treasury yields; both metals are now trading at \$1,918/oz and \$23.12/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2242	2242	2212	2233.5	2251	12708	633166	-42.00	101.22
Copper	8210	8229	8110	8145.5	8199	16377	266012	-69.35	369.70
Lead	2208	2215	2179	2181	2204	4869	143403	34.50	98.84
Nickel	19350	19450	19140	19120	19415	1757	161917	-245.00	871.36
Tin	26345	26350	25705	25888	26395	359	14983	-197.00	1174.27
Zinc	2557	2557	2517	2532	2556	5892	226113	-23.00	114.90
				Total:		41962	1445594		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2182.5	2225	2377	2495	2200.75	2240.5	2164.529412	2209.117647	
Copper	8107	8175	8373.25	8448.25	8161.74	8222	8309.558824	8348.382353	
Lead	2240	2202	2189.75	2201.75	2239.75	2214	2265.411765	2225.235294	
Nickel	18950	19250	20527	21630	19173	19418	19863.23529	20083.52941	
Tin	26100	26160			26057	26251	25647.05882	25853.52941	
Zinc	2504	2530	2572	2584.25	2541.25	2562	2475.235294	2501.676471	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	482300	17500	3250	14250	496550	274900	221650	Comex, USc/lb		
Copper	162900	1000	0	1000	163900	325	163575	SEP 23	366.55 -0.03	
Lead	74300	1950	50	1900	76200	1775	74425	DEC 23	369.6 0.00	
Nickel	41292	0	0	0	41292	1122	40170	Shanghai, CNY/mt		
Tin	6920	40	0	40	6960	280	6680	23-Sep	68040 0.10	
Zinc	105400	0	3850	-3850	101550	38500	63050	23-Oct	67870 0.13	

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15390	-1.07	GBP	1.2208	-0.2696	Gold	1918.27	-0.3615	1926.2 1927.35
DJI	33911	-0.16	JPY	148.8400	-0.3158	Silver	23.13	-1.8233	2365
S&P500	4329	0.21	EUR	1.0586	-0.6289	Gold Comex	1937.6	-0.411	
SSE	3116	-0.54	CNY	7.3113	-0.1682	Platinum	918.38	-1.3259	
Hg Seng	17729	-1.82	AUD	0.6415	-0.4037	Palladium	1238.97	-1.2167	
Brent	93	-0.53	CAD	1.3473	0.0742				

Source: Bloomberg
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All price data is from 25.09.2023 as of 17:30

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