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Daily Base Metals Report

US stocks fluctuated during the day on the back of the inflation figure coming out today. US CPI came in above expectations in August, growing by 3.7% y/y and 0.6% m/m, respectively; petrol prices were the biggest driver behind the monthly increase. While this failed to sway market opinion about a pause for the next week's meeting, the cuts for next year have been priced in further down the curve, further underscoring the higher-for-longer rate narrative. The probability of a November hike still stands at about 50%. Core reading advanced by 0.3% m/m, marking the first acceleration in six months; however, the yearly growth of 4.3% marked the smallest advance in about two years. This data suggests that the path to inflation softness is going to be bumpy; however, we expect next year's figures to come in lower, given the high base of growth seen this year. The dollar was little changed, and the 2-year yield hovered near the 5.00% mark. All eyes are now on the ECB interest rate decision tomorrow.

The base metals complex jumped higher following the inflation announcement, posting marginal gains on the day. Overall, the market remains rangebound, and we expect this momentum to continue into Q4 2023. The Chinese economy is experiencing softening economic conditions following the reopening rebound; still, our view over the longer term remains constructive. The compounding effect of the fiscal and monetary policy released so far this year is helping to solidify the support level, from which the economy is poised to recover into next year. The growth is likely to be limited in scale, and we expect base metals to follow suit. Aluminium continues to fluctuate around the \$2,200/t level, closing just above it at \$2,217.50/t. Copper remained comfortably above the \$8,400/t level in the latter part of the day, and nickel bounced off the robust support level of \$20,000/t. Zinc continued to trace higher to close above \$2,500/t, offsetting most of the losses that took place in early August; the metal closed at \$2,526/t.

Oil futures remained elevated, while precious metals lost some of their momentum on the back of stronger-than-expected inflation, with gold and silver now trading at \$1,910/oz and \$22.87/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2199	2220	2191	2217.5	2196	13945	660628	-40.25	100.59
Copper	8381	8443	8351	8417	8393	14204	281876	-19.50	381.79
Lead	2223	2223	2202	2217.5	2223	4493	145425	41.94	100.59
Nickel	19865	20250	19615	20069	19865	3831	156303	-211.00	910.32
Tin	25450	25700	25205	25688	25415	264	15545	-201.00	1165.20
Zinc	2484	2534	2470	2526	2482	7387	211358	-28.80	114.58
Total:						44124	1471135		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2156.5	2197	2355	2475	2153.39	2196.5	2151	2197.5	
Copper	8353	8371.5	8485	8525	8367.5	8391	8359.611111	8379.055556	
Lead	2260	2210	2212.15	2224.15	2264	2219.5	2283.611111	2230.722222	
Nickel	19485	19750	21188	22292	19683.5	19923	20197.22222	20402.77778	
Tin	25200	25350			25266	25524	25630.55556	25821.66667	
Zinc	2453.5	2484	2558	2573.5	2449.95	2479	2444.777778	2469.222222	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	493875	950	3525	-2575	491300	262050	229250	Comex, USc/lb		
Copper	135650	7750	0	7750	143400	300	143100	SEP 23	375.2 -0.48	
Lead	53125	0	0	0	53125	3650	49475	DEC 23	379.2 -0.39	
Nickel	38280	462	0	462	38742	882	37860	Shanghai, CNY/mt		
Tin	6950	25	0	25	6975	490	6485	23-Sep	69340 -0.27	
Zinc	138400	0	6200	-6200	132200	49150	83050	23-Oct	69110 -0.32	

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15654	-0.39	GBP	1.2502	0.0961	Gold	1910.11	-0.186	1918.9
DJI	34665	0.06	JPY	147.2900	-0.1426	Silver	22.85	-0.9291	2290
S&P500	4478	0.36	EUR	1.0744	-0.0930	Gold Comex	1932.4	-0.140	
SSE	3123	-0.45	CNY	7.2716	0.2847	Platinum	905.28	-0.838	
Hg Seng	18009	-0.09	AUD	0.6428	0.0311	Palladium	1258.4	1.2121	
Brent	92	-0.29	CAD	1.3551	0.0148				

Source: Bloomberg
Updated: 13/09/2023 17:30

All price data is from 13.09.2023 as of 17:30

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