



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

THU 03 OCTOBER 2024 00:10

Daily Base Metals Report

US stocks fell at the opening today following the release of stronger-than-expected labour market data. The ADP Employment Change report, which estimates monthly changes in non-farm private employment based on payroll data, showed an increase of 143,000 new jobs in September, significantly higher than the 99,000 recorded in the previous month. The dollar index surged, trading at 101.62, while the 10-year US Treasury yield rose, testing the 3.8% level once again. Elsewhere, Eurozone unemployment remained unchanged in August, holding close to its historic low of 6.4%.

The base metals complex continued to make strides, gaining enough momentum to breach the June resistance levels across the board. While China's stimulus measures have played a significant role in driving this upward trend, speculative players have also contributed to the exaggerated gains. We believe that China's underlying issues cannot be resolved solely through monetary injections; the market is aware of this. The lack of volatility and oversold sentiment from China in recent months drove some of the speculative players back into the market following the news, leading to a sharper-than-anticipated gain. In the coming weeks, we expect these gains to subside as investors come to terms with China's subdued economic reality.

In the meantime, aluminium is testing new highs, attempting to breach the \$2,660/t level today. Copper's gains were more muted as the resistance at \$10,200/t stands firm; the metal finished the day at \$10,084.50/t. In line with copper, zinc is cautiously testing new highs, closing at \$3,173.50/t. Relative to other metals, nickel's upside has been extensive, as it continued to rally sharply for the fourth straight day, breaching the \$18,000/t level to \$18,153/t.

The rise in Treasury yields and a stronger dollar weighed on gold, with the metal struggling to stay above \$2,660/oz. Silver also followed the broader metals trend, testing the \$32/oz mark. After a larger move at the end of the last trading session, oil edged slightly higher, with WTI and Brent crude trading at \$71.4/bbl and \$75.1/bbl, respectively.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2635	2683	2634	2678	2632	17093	644019	-7.75	121.54
Copper	9945	10074	9926	10084.5	9945	12955	300180	-138.25	456.64
Lead	2110	2142	2109	2151	2104	4063	148696	-48.67	96.84
Nickel	17665	18230	17640	18153	17700	8697	210267	-261.82	825.55
Tin	33900	34289	33710	33893	33755	392	20731	14.00	1533.16
Zinc	3142	3187	3134	3173.5	3137	7197	255352	-27.71	143.81
					Total:	50397	1579245		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2635	2635	2734.07	2772.07	#N/A Requesting	2648	2635	2632.75	
Copper	9882.5	10024	10211.96	10277.96	Data...	9979	9811.75	9953	
Lead	2091	2139	2226.34	2281.84	9840.22	2108.5	2083.25	2129	
Nickel	17730	18000	18462.42	19097.42	2059.83	17711	17525	17812.5	
Tin	34275	34300			17449.18	33879	33912.5	33900	
Zinc	3132	3153	3136.79	2976.79	33923	3146.5	3120.25	3147	
					3118.02				

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	790450	0	2500	-2500	787950	396700	391250	Comex, USc/lb		
Copper	300175	150	50	100	300275	33650	266625	DEC 24	458.9	
Lead	199125	0	0	0	199125	5725	193400	MAR 25	462.05	
Nickel	131178	0	0	0	131178	8094	123084	Shanghai, CNY/mt		
Tin	4595	0	25	-25	4570	710	3860	01-Sep	0	
Zinc	249875	0	1125	-1125	248750	28825	219925	01-Oct	0	

Global Markets		Currencies		Precious Metals		Previous Day's Fix		
Last	% Change	Last	% Change	Last	% Change	AM	PM	
DAX	19136	-0.40	GBP	1.3264	-0.1656	Gold	2648.85	2667.55
DJI	42191	0.08	JPY	146.1800	-1.7855	Silver		3135.5
S&P500	5711	0.04	EUR	1.1042	-0.2349	Gold Comex		
SSE	3336	8.06	CNY	7.0187	-0.1083	Platinum		
Hg Seng	22444	6.20	AUD	0.6885	0.0291	Palladium		
Brent	74	0.80	CAD	1.3488	0.0148			

Source: Bloomberg
Updated: 02/10/2024 17:30

All price data is from 02.10.2024 as of 17:30

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).