



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

FRI 04 OCTOBER 2024 00:10

Daily Base Metals Report

US stocks opened lower today as investor sentiment remained cautious amid ongoing economic uncertainty. The dollar continued its upward momentum, testing the 102 level, while the 10-year US Treasury yield also rose, firmly holding above 3.8%. Forward swaps are currently pricing in more than a 30% chance of a 50bps interest rate cut in November, reflecting expectations of further easing in the Fed's ongoing rate cut cycle, down from 60% earlier. We anticipate two more rate cuts over the next three Federal Reserve meetings, with the highest likelihood being a 25bps cut in December, followed by a possibly larger 50bps reduction in January 2024.

The base metals market sold off today, offsetting yesterday's gains. In line with our yesterday's comment, the upside is being exhausted as markets are digesting China's economic reality, prompting prices to mean revert. We expect prices to soften slightly in the coming days. However, there is little impetus in the market to breach the July lows, and prices are likely to remain elevated. In the meantime, copper weakened back below the \$10,000/t level to \$9,866/t. Aluminium softened but remained above the \$2,600/t level. The rest of the complex followed suit, with nickel weakening back to \$17,589/t.

The strong dollar continued to weigh on gold prices, with the precious metal trading lower at \$2,648/oz. After showing a strong performance in yesterday's session, silver softened slightly, trading at \$31.7/oz. Meanwhile, oil prices extended their upward trend, supported by ongoing concerns over the Middle Eastern conflict. WTI and Brent crude were trading at \$73.0/bbl and \$76.6/bbl, respectively, as the geopolitical tensions are expected to keep the market tight in the next few days.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
Aluminium	2682	2694	2606	2629	2684	18037	647270	-10.42	119.25
Copper	10100	10120	9846	9866	10103	16488	300348	-148.08	447.52
Lead	2149	2161	2120	2142.5	2153	5845	147683	-49.02	97.18
Nickel	18150	18290	17505	17589	18180	9490	211091	-249.49	797.83
Tin	33975	33975	33655	33709	33800	386	20626	-10.00	1529.03
Zinc	3190	3209	3100	3124	3195	8632	255622	-28.38	141.70
					Total:	58878	1582640		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2638	2643.5	2716.2	2749.95	2669.84	2678.5	2636	2636.333333
Copper	9786	9935	10141.5195	10222.51953	9943.34	10084.5	9803.166667	9947
Lead	2092	2137	2260.6	2316.1	2100.71	2151	2086.166667	2131.666667
Nickel	17920	18225	18325.85	18960.85	17896.38	18153	17656.66667	17950
Tin	33810	33825			33907	33893	33878.33333	33875
Zinc	3134.5	3162	3109.28	2913.28	3144.96	3173.5	3125	3152

LME Stocks (tonnes)						Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	787950	0	2500	-2500	785450	386700	398750	Comex, US\$/lb	
Copper	300275	0	2175	-2175	298100	31475	266625	DEC 24	458.9
Lead	199125	0	0	0	199125	8075	191050	MAR 25	462.05
Nickel	131178	0	90	-90	131088	8028	123060	Shanghai, CNY/mt	
Tin	4570	20	25	-5	4565	685	3880	01-Sep	0
Zinc	248750	0	1675	-1675	247075	27500	219575	01-Oct	0

Global Markets		Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	19015	-0.78	GBP	1.3128	-1.0552	Gold	2659.74	0.0395	2655.1
DJI	41933	-0.62	JPY	146.6400	-0.1159	Silver	32.19	1.12	
S&P500	5682	-0.49	EUR	1.1034	-0.0996	Gold Comex	2679.9	0.382	2660.95
SSE	3336	8.06	CNY	7.0187	-0.1083	Platinum	997.13	-1.198	3139
Hg Seng	22114	-1.47	AUD	0.6849	-0.5229	Palladium	1002.32	-1.7998	
Brent	77	4.53	CAD	1.3541	-0.2880				

Source: Bloomberg
Updated: 03/10/2024 17:30

All price data is from 03.10.2024 as of 17:30

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