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Daily Base Metals Report

US stocks opened higher today, kicking off a week packed with key economic data releases. The upcoming Friday Non-Farm Payrolls report will be a focal point for market participants, offering insights into the labour market's strength and helping gauge the likely pace of the Fed's monetary easing going forward. The recent surge in support for Trump and anticipation of his inflationary policies have driven the 10-year yield close to 4.3%. In our view, bonds are currently undervalued, especially with forward swaps indicating a 96% probability of a 25bps Fed rate cut next week. After nearing 104.5 in recent days, the dollar softened slightly today, standing at 104.27. Across the Atlantic, UK markets are awaiting the debut budget from the Labour government, set to be delivered on Wednesday.

The metals market was mixed today. Lead and nickel drifted lower to \$2,030.50/t and \$16,015/t, respectively, due to lower open interest and a lack of trading activity, resulting in a muted price performance. On the other hand, zinc and aluminium continue to see spread volatility, keeping 3-month prices elevated relative to the broader market. We expect to see lower liquidity this week as markets await the outcome of China's legislative meeting and the U.S. elections next week, which is likely to lead to sideways trading. At this time, we do not expect the market to be overly short of the entire complex.

Gold edged slightly higher but once again struggled to break the \$2,750/oz level, with high bond yields curbing its performance. Similarly, silver tested the \$34 level again but held at \$33.70 at the time of writing. Oil prices traded lower today, with WTI and Brent crude at \$68.10 and \$72.20, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2664	2682	2633	2645.5	2670	14522	672429	-34.18	120.07
Copper	9562	9598	9508	9541.5	9564	13755	275174	-138.00	433.28
Lead	2045	2046	2020	2030.5	2042	6263	140125	-39.00	92.08
Nickel	16115	16215	15930	16015	16120	6194	213998	-263.83	724.39
Tin	31425	31635	31240	31429	31400	438	19270	-216.00	1422.03
Zinc	3086	3145	3043	3139	3100	10664	255037	30.68	142.61
					Total:	51836	1576033		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash	3M
Aluminium	2610	2647	2709.24	2736.24	2643.59	2677.5	2595.25	2616.2
Copper	9402	9542	9882.5	9994.25	9469.4	9602.5	9559.425	9700.875
Lead	1990	2027	2155.61	2195.61	2011.62	2046	2045.5	2087.9
Nickel	15810	16075	16742	17457	15921.83	16167	16977.25	17246.5
Tin	31350	31600			31140	31325	32390	32494.25
Zinc	3105	3081	3083.73	2914.48	3117.35	3102	3097.5	3103.575

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets Last	% Change
Aluminium	748700	0	2500	-2500	746200	342725	403475	Comex, USc/lb	
Copper	276775	0	675	-675	276100	13700	262400	DEC 24	437.05
Lead	190475	0	300	-300	190175	11825	178350	MAR 25	441.9
Nickel	135522	7962	240	7722	143244	8430	134814	Shanghai, CNY/mt	0.37
Tin	4730	0	25	-25	4705	280	4425	01-Nov	76580
Zinc	242425	7350	2700	4650	247075	11425	235650	01-Dec	76640

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	19532	0.35	GBP	1.2982	0.1543	Gold	2742.04	-0.2009	2719.25
DJI	42388	0.65	JPY	153.2100	-0.5874	Silver	33.82	0.2868	3315
S&P500	5831	0.39	EUR	1.0818	0.2038	Gold Comex	2754.3	-0.011	
SSE	3322	0.68	CNY	7.1294	-0.1108	Platinum	1039.13	1.3499	
Hq Seng	20599	0.04	AUD	0.6586	-0.3329	Palladium	1217.64	1.7668	
Brent	72	-5.56	CAD	1.3893	-0.0072				

Source: Bloomberg
Updated: 28/10/2024 17:30

All price data is from 28.10.2024 as of 17:30

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