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Daily Base Metals Report

US equities opened lower today, pressured by persistent strength in Treasury yields, despite markets maintaining strong expectations for rate cuts. The 10-year yield has climbed to 4.34%, its highest level since early July, when markets anticipated the first Fed rate cut would occur in September. Even after a 50bps cut last month, and with an almost 100% chance priced in for an additional 25bps cut next week, yields continue to rise. This unusual divergence suggests that, despite expectations of monetary easing, underlying factors—particularly long-term inflation concerns—are driving yields higher, spurred by the prospect of a Donald Trump victory in next week's election. The dollar index also appreciated, trading at 104.4 at the time of writing.

Base metals were mostly lower today despite reports that China is considering a stimulus package and the EU is moving forward with tariffs on China's EVs. As mentioned in our previous reports, there has been a noticeable disconnect between the broader metals market and macroeconomic fundamentals, suggesting that base metals are not effectively reflecting these significant developments. In particular, lead and nickel continued to soften, falling lower but still supported by longer-term support levels of \$2,000/t and \$15,665/t, respectively. Aluminium and copper remained broadly unchanged.

Gold broke another record today, reaching \$2,770/oz, while silver climbed above \$34/oz once again. Election-related volatility, combined with an expected interest rate cut next week and longer-term inflation fears driven by anticipated high tariffs from Trump, are set to keep precious metals in the spotlight. Oil prices softened, with WTI and Brent crude at \$67.0 and \$71.0, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2648	2683	2632	2659	2652	15080	672463	-31.00	120.61
Copper	9542	9667	9494	9530.5	9556	21282	275625	-145.00	432.46
Lead	2029	2029	1996	2004	2027	7244	141744	-44.00	91.04
Nickel	15965	16070	15855	15873	16020	6075	219175	-263.83	720.31
Tin	31315	31440	30855	31084	31315	455	19339	-229.00	1412.05
Zinc	3141	3182	3088	3122	3152	10895	254698	37.00	141.75
					Total:	61031	1583044		

Official Prices						Monthly Avg			
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2617.5	2653	2709.24	2740	2611.32	2645.5	2596.309524	2617.952381	
Copper	9431	9577	9826.5	9938.25	9396.98	9541.5	9553.309524	9694.97619	
Lead	1965	2008	2141.5	2181.5	1988.77	2030.5	2041.666667	2084.095238	
Nickel	15705	15990	16742	17457	15751.17	16015	16916.666667	17186.66667	
Tin	31145	31300			31213	31429	32330.71429	32437.38095	
Zinc	3162	3127	3083.73	2914.48	3169.68	3139	3100.571429	3104.690476	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	746200	0	2500	-2500	743700	340225	403475	Comex, USc/lb		
Copper	276100	0	1875	-1875	274225	12500	261725	DEC 24	436.25	
Lead	190175	0	1125	-1125	189050	10700	178350	MAR 25	441.05	
Nickel	143244	3294	384	2910	146154	8046	138108	Shanghai, CNY/mt		
Tin	4705	0	25	-25	4680	280	4400	01-Nov	76490	
Zinc	247075	0	3750	-3750	243325	7675	235650	01-Dec	76520	

Global Markets		Currencies		Precious Metals			Previous Day's Fix			
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	19485	-0.24	GBP	1.3003	0.2390	Gold	2768.94	0.9656	2730.4	2741.80
DJI	42329	-0.14	JPY	153.4200	-0.0847	Silver	34.28	1.8071		3338.5
S&P500	5834	0.18	EUR	1.0802	-0.0925	Gold Comex	2780.9	0.907		
SSE	3286	-1.08	CNY	7.1278	0.0210	Platinum	1050.53	1.6537		
Hq Seng	20701	0.49	AUD	0.6556	-0.4101	Palladium	1219.49	0.2903		
Brent	71	-0.50	CAD	1.3914	-0.1725					

Source: Bloomberg
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All price data is from 29.10.2024 as of 17:30

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