

Authors

Geordie Wilkes
Head of Research

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Daily Base Metals Report

US stocks retreated over concerns of escalating trade tensions between China and the US and worries about global economic recovery. In retaliation to US consulate shutdown, Beijing ordered the US to shut down consulate in Chengdu. US new home sales surged to the highest level in almost 13 years in June, fuelled by record-low mortgage costs. The yield on the 5yr Treasuries declined to 0.2612%, a record low, and the dollar extended the slide down to 94.438. The yuan softened. In Europe, composite PMI jumped to 54.8, a 25-month high, with both manufacturing and services in the expansionary area.

Metals prices were weaker today due to weakness in the macro, except for aluminium which was well supported above \$1,685/t and closed at \$1,700/t. Nickel prices sold off to test appetite at \$13,300/t, but support at that level triggered a close at \$13,656/t. Copper saw the strongest selling today but was supported above \$6,400/t and closed at \$6,415/t. Zinc remained under pressure closing at \$2,218/t, and the cash to 3 spread widened slightly into -\$4.50/t. Lead tested the \$1,840/t level in the second half of the day, however, closed near day's low at \$1,818/t.

Oil futures took a dive on the back of growing economic fears, with WTI and Brent edging down to \$40.92/bl and \$43.09/bl respectively. Gold topped \$1,900/oz for the first time since 2011, trading close to record highs. At the time of writing, gold and silver trade at \$1,900.52/oz and \$22.67/oz.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	1706	1706	1686	1700	1708	13732	801129	-36.50	77.11
Copper	6487	6507	6366	6415	6506	20462	314209	15.25	291.30
Lead	1829	1842	1808	1818	1829	4216	107859	-19.00	82.08
Nickel	13680	13790	13310	13656	13685	10138	199336	-43.25	618.71
Tin	17870	17870	17570	17657	17850	439	15940	32.50	799.24
Zinc	2236	2243	2188	2218	2238	7359	204335	-4.50	100.20
					Total:	56346	1642808		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	1654.5	1692	1785	1850	1664.25	1701	1628.805556	1661.138889
Copper	6412.5	6389.5	6387.25	6394.25	6570	6544.5	6330.916667	6326.055556
Lead	1808	1826	1867	1900	1807	1826	1806.222222	1822.166667
Nickel	13430	13465	13705	13913	13650.75	13689	13246.05556	13292.16667
Tin	17695	17624			17853	17813	17306.83333	17222.88889
Zinc	2193.5	2202	2241.5	2268.5	2234.75	2239.5	2136.388889	2147.388889

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	1640425	14650	5800	8850	1649275	273200	1376075	Comex, USc/lb		
Copper	143800	1150	3225	-2075	141725	89725	52000	JUL 20	287.5	-1.69
Lead	97575	10075	50	10025	107600	15550	92050	AUG 20	288.5	-1.52
Nickel	235146	366	876	-510	234636	56454	178182	Shanghai, CNY/mt		
Tin	3970	0	20	-20	3950	325	3625	00-Jan	0	0.00
Zinc	150050	5000	550	4450	154500	19775	134725	00-Jan	0	0.00

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	12838	-2.02	GBP	1.2783	0.3296	Gold	1900.38	0.6856	1882.35	1878.30
DJI	26524	-0.48	JPY	105.8200	0.9828	Silver	22.65	0.2745		2286
S&P500	3214	-0.67	EUR	1.1631	0.3018	Gold Comex	1897.4	0.392		
SSE	3197	-3.86	CNY	7.0184	-0.2038	Platinum	920.08	-0.0109		
Hg Seng	24705	-2.21	AUD	0.7092	-0.0845	Palladium	2223.99	3.1894		
Brent	43	-0.95	RUB	71.7330	-0.3683					

Source: Bloomberg
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