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Daily Base Metals Report

US stocks traded higher today, led by tech shares. US manufacturing production rose by 1.0% m/m in August, less than forecasted. In relation to US-China trade talks, WTO stated that American tariffs on Chinese goods violated international rules, further complicating the relationship between the biggest trading partners. The dollar strengthened to 93.122, and the yield on 10yr US Treasury rose to 0.6821%. The Yuan climbed to the highest level of 6.77 since May 2019 on the back of positive retail sales data in August; the index grew 0.5% y/y – for the first time this year, and the unemployment rate in China has dropped from 5.7% in July to 5.6% in August.

Activity on the LME was mixed today with zinc and tin closing higher. Lead was subject to strong selling pressure, falling below the key support level of \$1,910.00/t and closing at \$1,908/t. Aluminium prices were softer, closing at \$1,789.50/t. Nickel gave back its recent gains, closing on the back foot at \$15,198/t; cash to 3-month spread widened into -\$55.00/t. Similarly, copper broke support \$6,780/t as copper stockpiles rose the most in 3 months in August, closing at \$6,761.50/t. Zinc, the best-performing base metal this quarter, edged higher to test \$2,540/t, before closing lower at \$2,496.50/t. Tin prices were higher on the day, closing at \$18,209/t.

Oil futures rose after the economic data from China and the US sparked confidence in the markets. At the time of writing, WTI and Brent trade at \$37.84/bl and \$40.15/bl respectively. Precious metals erased gains on a positive economic outlook and a rising dollar, with gold and silver trading up to \$1,953.07/oz and \$27.15/oz respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	1801	1811	1787	1789.5	1802	10992	794440	-39.25	81.31
Copper	6778	6830	6747	6761.5	6780	12353	325043	16.25	306.68
Lead	1927	1946	1904	1908	1924	4055	112603	-26.75	86.52
Nickel	15295	15365	15135	15198	15265	6150	222877	-51.00	689.69
Tin	18170	18225	18080	18209	18130	311	17154	-31.00	826.00
Zinc	2483	2543	2475	2496.5	2481	9496	226308	-21.75	113.51
					Total:	43357	1698425		

Official Prices	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	
							Cash	3M
Aluminium	1767	1806.5	1864.4	1959	1761.76	1800.5	1755.41	1793.23
Copper	6813.5	6800.5	6740.75	6722.75	6814.5	6796	6739.55	6717.91
Lead	1909.5	1938.5	1976.5	2007.5	1899.3	1927	1915.68	1942.27
Nickel	15218	15273	15485	15694	15226.75	15274	15159.09	15198.36
Tin	18165	18185			18125	18155	18143.73	18144.09
Zinc	2503.5	2524.5	2568.5	2598.5	2457.25	2480.5	2461.95	2487.86

LME Stocks (tonnes)	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets		
								Last	% Change	
Aluminium	1516500	0	2575	-2575	1513925	258250	1255675	Comex, USc/lb		
Copper	74875	5375	1700	3675	78550	32600	45950	SEP 20	305.8	-0.28
Lead	130650	250	550	-300	130350	16250	114100	DEC 20	305.6	-0.39
Nickel	237000	252	72	180	237180	58182	178998	Shanghai, CNY/mt		
Tin	5630	0	70	-70	5560	230	5330	00-Jan	0	0.00
Zinc	219700	0	0	0	219700	11775	207925	00-Jan	0	0.00

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	13218	0.18	GBP	1.29	0.19	Gold	1954.77	-0.11	1942.3	1958.70
DJI	28093	0.36	JPY	105.49	0.23	Silver	27.18	0.20		2688.5
S&P500	3414	0.90	EUR	1.18	-0.14	Gold Comex	1960.9	-0.14		
SSE	3296	0.51	CNY	6.78	0.41	Platinum	967.66	1.05		
Hg Seng	24733	0.38	AUD	0.73	0.12	Palladium	2371.99	2.56		
Brent	40	1.62	RUB	74.96	0.40					

Source: Bloomberg
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