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Daily Base Metals Report

Risk-off sentiment trickled across the market today as yields rose, given another hot labour data print. At the same time, the US Treasury stated that it would sell \$103bn in longer-term securities at its refunding auction, a day after the US was downgraded by Fitch Ratings, which criticised the ballooning fiscal deficit and an erosion of governance. This has once again heightened the risk of the banking crisis, the escalation of which we have seen earlier this year. However, we do not expect to see risks bubble to the surface just yet. The dollar continued to strengthen, and the 10yr yield is now at November highs of 4.08%. US private payrolls increased by 324,000 in July, exceeding market expectations, and all eyes are on the monthly jobs report this Friday to gauge the labour market performance in July.

The momentum carried through the base metals complex today, with another day of strong losses across the board. Aluminium fell back to test the support level of \$2,200/t before settling above it at \$2,209/t. Likewise, copper broke the \$8,600/t level, but the longer-term trend support is holding firm at \$8,520/t. Tin continued to weaken, losing \$1,750/t over the course of three days, but prices struggled to break the \$27,000/t level after testing it, closing at \$27,418/t. Lead was the only exception, gaining marginal ground to close at \$2,146.50/t.

Oil futures weakened sharply despite data pointing to US crude stockpiles declining by a record 17m barrels last week, indicating growing market tightness in the face of OPEC+ cuts. WTI and Brent are now trading at \$79/bl and \$83/bl. Gold and silver weakened to \$1,935/oz and \$23.70/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2253	2257	2203	2209	2253	20849	682120	-50.24	100.20
Copper	8625	8668	8490	8509.5	8636	23015	287010	-40.26	385.99
Lead	2136	2155	2131	2146.5	2136	4517	119715	-1.25	97.36
Nickel	22235	22370	21450	21560	22235	3274	149151	-221.00	977.96
Tin	27710	27800	27145	27418	27600	673	15625	-110.00	1243.67
Zinc	2551	2556	2475	2482.5	2555	11008	199147	-3.00	112.61
					Total:	63336	1452768		

Official Prices	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2176.5	2227	2378.01	2496.01	2209.06	2255.5	2196.75	2244.5	
Copper	8545	8589	8570.75	8597.75	8594.25	8631	8632.75	8678.5	
Lead	2144	2145	2158.5	2173.5	2144.76	2147	2148	2147.75	
Nickel	21700	21845	22676	23606	22143	22358	22027.5	22272.5	
Tin	27250	27425			27625	27724	27405	27552.5	
Zinc	2527	2535	2505.25	2510.25	2567.3	2569	2540.5	2544.5	

LME Stocks (tonnes)	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	505550	25	2800	-2775	502775	221775	281000	Comex, USc/lb		
Copper	74175	1200	100	1100	75275	350	74925	SEP 23	400.8	2.08
Lead	55075	300	150	150	55225	5275	49950	DEC 23	402.5	1.91
Nickel	37512	0	306	-306	37206	1512	35694	Shanghai, CNY/mt		
Tin	5255	25	5	20	5275	40	5235	23-Aug	70700	1.62
Zinc	99350	0	125	-125	99225	35200	64025	23-Sep	70490	1.48

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change		Last	% Change	AM	PM	
DAX	16020	-1.36	GBP	1.2709	-0.5322	Gold	1934.69	-0.4938	1956.75	1947.20
DJI	35283	-0.98	JPY	143.3500	-0.0070	Silver	23.72	-2.4213		2451.5
S&P500	4513	-1.38	EUR	1.0938	-0.4188	Gold Comex	1971.1	-0.389		
SSE	3262	-0.89	CNY	7.1916	-0.1933	Platinum	923.5	-1.1305		
Hg Seng	19517	-2.47	AUD	0.6537	-1.1493	Palladium	1244.72	-0.065		
Brent	83	-1.72	CAD	1.3352	-0.5318					

Source: Bloomberg
Updated: 02/08/2023 17:30

All price data is from 02.08.2023 as of 17:30

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