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Daily Base Metals Report

US stocks declined following the bond market sell-off as markets grew increasingly worried about rising borrowing costs. The 10yr US Treasury yield is now at 4,17%, while the dollar continued to strengthen, growing for the fourth straight day. Meanwhile, US initial jobless claims have once again underscored the labour market resilience, growing to 227,000 in the week ending July 29th. The US service sector expanded at a more moderate pace last month, indicating that the upside momentum might be slowing; the index gains were restrained by weakening employment growth in the sector. Elsewhere, the BOE increased key interest rates by 25bps, in line with market expectations, and following comments from policymakers reaffirmed the bets for further tightening; forward swaps are now pricing in 47bps of increases into the year-end.

Base metals remained broadly unchanged today, holding the robust support level intact following the recent weakness. Support at \$2,200/t is holding firm for aluminium, as futures tested prices below this level before returning to \$2,230/t. Likewise, as mentioned in our yesterday's comment, copper's trend support at \$8,520/t was reaffirmed today; the metal closed at \$8,611/t. Tin bounced back above \$28,000/t, suggesting that fundamental market tightness is still in place, prompting tin to close at \$28,023/t. Lead and zinc remained unchanged, settling at \$2,157/t and \$2,485/t, respectively.

Oil futures jumped higher after Saudi Arabia extended its unilateral oil production cut by another month, stating that it could be prolonged further or even extended. WTI and Brent are now trading at \$81/bl and \$84/bl. Gold and silver were broadly unchanged on the day.

| | Open | High | Low | 5pm Close | PDC | Volume | Total O.I | Spreads | Conversion |
|-----------|-------|-------|-------|-----------|-------|--------|-----------|---------|------------|
| | | | | | | | | C-3M | USc/lb |
| Aluminium | 2213 | 2233 | 2194 | 2230 | 2210 | 17638 | 687282 | -50.20 | 101.15 |
| Copper | 8512 | 8640 | 8463 | 8611 | 8506 | 17374 | 285172 | -40.50 | 390.59 |
| Lead | 2148 | 2165 | 2133 | 2157 | 2147 | 4070 | 118134 | -7.25 | 97.84 |
| Nickel | 21655 | 21700 | 21405 | 21607 | 21550 | 2283 | 149670 | -238.00 | 980.09 |
| Tin | 27380 | 28450 | 27380 | 28023 | 27290 | 636 | 15414 | -77.00 | 1271.11 |
| Zinc | 2488 | 2505 | 2447 | 2485 | 2491 | 8016 | 200320 | 4.25 | 112.72 |
| | | | | Total: | | 50017 | 1455992 | | |

| Official Prices | Cash | 3m | Dec Yr 1 | Dec Yr 2 | PD Cash | PD 3M | Monthly Avg | Cash | 3M |
|-----------------|--------|--------|----------|----------|---------|--------|-------------|-------------|----|
| Aluminium | 2147 | 2195 | 2402 | 2525 | 2158.76 | 2209 | 2180.166667 | 2228 | |
| Copper | 8472 | 8517 | 8679.5 | 8719.5 | 8469.24 | 8509.5 | 8579.166667 | 8624.666667 | |
| Lead | 2139.5 | 2147.5 | 2171.75 | 2184.75 | 2145.25 | 2146.5 | 2145.166667 | 2147.666667 | |
| Nickel | 21300 | 21450 | 22759 | 23739 | 21339 | 21560 | 21785 | 21998.33333 | |
| Tin | 27550 | 27725 | | | 27308 | 27418 | 27453.33333 | 27610 | |
| Zinc | 2462.5 | 2461.5 | 2509.5 | 2514.5 | 2479.5 | 2482.5 | 2514.5 | 2516.833333 | |

| LME Stocks (tonnes) | Opening | In | Out | Net Change | Closing | C-warrants | Open Tonnage | Other Copper Markets | Last | % Change |
|---------------------|---------|------|------|------------|---------|------------|--------------|----------------------|-------|----------|
| Aluminium | 502775 | 5075 | 2750 | 2325 | 505100 | 224850 | 280250 | Comex, USc/lb | | |
| Copper | 75275 | 1600 | 0 | 1600 | 76875 | 450 | 76425 | SEP 23 | 400.8 | 2.08 |
| Lead | 55225 | 1050 | 150 | 900 | 56125 | 6175 | 49950 | DEC 23 | 402.5 | 1.91 |
| Nickel | 37206 | 0 | 234 | -234 | 36972 | 1422 | 35550 | Shanghai, CNY/mt | | |
| Tin | 5275 | 0 | 0 | 0 | 5275 | 60 | 5215 | 23-Aug | 70700 | 1.62 |
| Zinc | 99225 | 0 | 1300 | -1300 | 97925 | 33900 | 64025 | 23-Sep | 70490 | 1.48 |

| Global Markets | | | Currencies | | Precious Metals | | | Previous Day's Fix | | |
|----------------|----------|-------|------------|----------|-----------------|------------|----------|--------------------|--------|---------|
| Last | % Change | | Last | % Change | | Last | % Change | AM | PM | |
| DAX | 15893 | -0.79 | GBP | 1.2711 | 0.0000 | Gold | 1934.33 | -0.0062 | 1949.7 | 1944.20 |
| DJI | 35216 | -0.19 | JPY | 142.4900 | 0.5825 | Silver | 23.58 | -0.568 | | 2441 |
| S&P500 | 4502 | -0.25 | EUR | 1.0949 | 0.1006 | Gold Comex | 1969.6 | -0.273 | | |
| SSE | 3280 | 0.58 | CNY | 7.1697 | 0.3055 | Platinum | 917.65 | -0.6087 | | |
| Hg Seng | 19421 | -0.49 | AUD | 0.6551 | 0.1988 | Palladium | 1256.25 | 0.7442 | | |
| Brent | 85 | 2.54 | CAD | 1.3352 | -0.0150 | | | | | |

Source: Bloomberg
Updated: 03/08/2023 17:30

All price data is from 03.08.2023 as of 17:30

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