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Daily Base Metals Report

US stocks reversed earlier losses on Friday after a mixed labour market report. The risk-on sentiment returned to the market today, pushing riskier assets higher as the Treasury yields declined. In particular, the nonfarm payrolls increased at a solid pace last month, gaining 187,000, in line with June performance; wages rose faster than expected by 4.4% y/y, suggesting that continued labour market tightness is creating further pricing pressures. This also creates a more solid footing for US consumers, as spending, albeit softening, is likely to remain positive on a year-on-year basis. The dollar weakened as a result. Elsewhere, the ECB has stated that the underlying inflation has likely peaked and is likely to continue to soften in the face of higher interest rates.

Mixed market performance was seen across the complex today. Aluminium remained above \$2,200/t, closing at \$2,232.50/t, while copper retested the \$8,600/t resistance. Likewise, tin attempted to breach back above the \$28,000/t level but struggled above it, closing at \$27,700/t. Lead and zinc continued to give up their most recent gains, settling at \$2,127.50/t and \$2,504/t, respectively. The positive momentum seen last month was propelled by increasing pledges from Chinese policymakers to support the economy. However, as we have mentioned in our previous comments, we do not expect to see protracted upside gains until the economy is recovering in a sustainable manner. Still, longer-term support levels are likely to solidify in the near term, supported by the pause in the tightening cycle from the Fed and the continued longer-term trend from green energy globally.

Oil futures remained elevated at \$82/bl and \$85/bl for WTI and Brent, respectively. Meanwhile, gold and silver jumped higher in the second half of the day following the labour market report release, suggesting that precious metals continue to be driven by monetary policy expectations from key central banks.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2224	2244	2205	2232.5	2233	14610	694401	-49.65	101.27
Copper	8631	8683	8475	8573	8639	17976	285703	-49.75	388.87
Lead	2153	2159	2125	2127.5	2150	3739	119670	-7.20	96.50
Nickel	21705	21950	21060	21310	21700	4034	149769	-228.00	966.62
Tin	28240	28250	27525	27700	28130	248	15426	-68.00	1256.46
Zinc	2505	2525	2474	2504	2505	7431	201118	2.50	113.58
				Total:		48038	1466087		

Official Prices	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2166	2211	2401.25	2525.25	2179.8	2230	2176.625	2223.75	
Copper	8450.5	8505	8655	8695	8570.5	8611	8547	8594.75	
Lead	2128	2140	2137.75	2150.75	2149.75	2157	2140.875	2145.75	
Nickel	20980	21210	22450	23440	21369	21607	21583.75	21801.25	
Tin	27925	27950			27946	28023	27571.25	27695	
Zinc	2482	2482	2528.5	2533.5	2489.25	2485	2506.375	2508.125	

LME Stocks (tonnes)	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	505100	225	2000	-1775	503325	225650	277675	Comex, USc/lb		
Copper	76875	2525	75	2450	79325	375	78950	SEP 23	400.8	2.08
Lead	56125	1000	0	1000	57125	7475	49650	DEC 23	402.5	1.91
Nickel	36972	486	348	138	37110	1074	36036	Shanghai, CNY/mt		
Tin	5275	205	0	205	5480	60	5420	23-Aug	70700	1.62
Zinc	97925	0	3025	-3025	94900	31525	63375	23-Sep	70490	1.48

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change		Last	% Change	AM	PM	
DAX	15952	0.37	GBP	1.2747	0.2990	Gold	1942.80	0.4519	1936.9	1935.65
DJI	35066	-0.43	JPY	141.7600	0.5784	Silver	23.63	0.2406		2355.5
S&P500	4478	-0.53	EUR	1.1009	0.5480	Gold Comex	1978	0.467		
SSE	3288	0.23	CNY	7.1729	-0.0446	Platinum	925.47	0.8335		
Hg Seng	19539	0.61	AUD	0.6568	0.2595	Palladium	1262.47	0.3505		
Brent	86	1.12	CAD	1.3384	-0.2316					

Source: Bloomberg
Updated: 04/08/2023 17:30

All price data is from 04.08.2023 as of 17:30

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