

## Authors

Daria Efanova  
Head of Research

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# Daily Base Metals Report

US stocks declined as tech shares weakened ahead of the key inflation reading tomorrow. Moreover, higher energy prices, in particular, a 40% surge in European natural gas and a 6% jump in oil futures, added to the inflationary concerns. The dollar held firm, and the 10yr US Treasury yield hovered near 4% before the anticipated bond auction. Elsewhere, the Chinese economy slid into deflation in July, adding pressure on policymakers to boost monetary and fiscal support even with potential signs that prices decline might be temporary may dampen any stimulus. The CPI fell by 0.3% y/y, marking the first yearly decline since February 2021. Producer prices also fell by 4.4%, in line with expectations.

Despite the weakened macro environment in China, base metals prices were little changed as robust support levels held firm. Aluminium traded around the \$2,200/t level today before settling slightly below at \$2,195/t. Likewise, copper struggled below \$8,400/t, underscoring our view of prices being supported by the cost of production levels. We expect to see continued drift sideways in the meantime. Nickel, on the other hand, continued to decline, testing the \$20,500/t level and closing at \$20,554/t. Lead and zinc remained broadly unchanged at \$2,127/t and \$2,479.50/t, respectively.

Oil futures jumped higher on the back of continued supply tightness, with oil futures reaching a year high of \$83/bl and \$86/bl for WTI and Brent, respectively. Gold and silver continued to drift lower into \$1,916/oz and 22.68/oz.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2204	2222	2194	2195	2198	13943	676895	-51.50	99.75
Copper	8378	8488	8359	8397.5	8378	19713	284119	-34.24	380.95
Lead	2122	2140	2115	2127	2122	3531	120513	-3.75	96.84
Nickel	20775	21075	20495	20554	20835	4165	151539	-255.00	931.23
Tin	27285	27470	27100	27259	27180	318	15802	-170.00	1239.23
Zinc	2474	2491	2454	2479.5	2470	7309	205120	36.50	112.27
				Total:		48979	1453988		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2153	2205	2359.5	2482.5	2147.85	2200.5	2168.642857	2217.857143
Copper	8395	8428	8470.75	8515.75	8303	8347.5	8479.142857	8524.857143
Lead	2119	2128	2138.75	2151.75	2114.93	2125	2133.642857	2140.642857
Nickel	20450	20640	22037	23087	20593	20841	21240.71429	21463.57143
Tin	27080	27325			27175	27300	27537.85714	27636.42857
Zinc	2500	2464	2500	2505	2486.25	2456	2496.214286	2487.928571

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	498900	0	3900	-3900	495000	217325	277675	Comex, USc/lb	
Copper	80300	700	0	700	81000	350	80650	SEP 23	376.65 -1.79
Lead	56525	300	350	-50	56475	6525	49950	DEC 23	379.75 -1.72
Nickel	37044	0	96	-96	36948	1074	35874	Shanghai, CNY/mt	
Tin	5605	70	0	70	5675	60	5615	23-Aug	68430 -0.87
Zinc	90000	1800	2975	-1175	88825	21025	67800	23-Sep	68190 -1.03

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	15853	0.49	GBP	1.2724	-0.1883	Gold	1916.99	-0.4285	1934.8
DJI	35122	-0.54	JPY	143.4500	-0.0488	Silver	22.66	-0.5144	2304
S&P500	4468	-0.71	EUR	1.0978	0.2008	Gold Comex	1950.4	-0.485	
SSE	3244	-0.49	CNY	7.2099	0.1207	Platinum	892.08	-1.4146	
Hg Seng	19246	0.32	AUD	0.6526	-0.2751	Palladium	1238.36	0.6535	
Brent	86	0.27	CAD	1.3444	-0.1860				

Source: Bloomberg  
Updated: 09/08/2023 17:30

All price data is from 09.08.2023 as of 17:30

## Risk warning

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