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Daily Base Metals Report

US stocks softened today after further data releases reaffirmed the bets of rates remaining higher for longer. US service sector activity increased by 2bps to 54.5 in August, marking the 6-month high. The robustness of household spending has helped to support the strength in demand month-on-month. Meanwhile, continued gains in the cost of materials and wages could once again risk inflation remaining upwardly sticky. The dollar tested the 105 level given the higher-for-longer interest rate narrative. Elsewhere, probabilities of further tightening from other key central banks, the ECB and the BOE, diverged after prospective policymakers commented on their forward-looking views. The ECB's Knot suggested that next week's hike is being underestimated, while the BOE's Bailey mentioned that UK rates might be near the top of the cycle. Forward swaps are now pricing in 8bps and 25bps during the next meeting, respectively.

The base metals complex softened marginally today on the back of a stronger dollar. As a result of greenback gains, authorities in China have had to step up their efforts to defend the currency, which is currently testing the 7.35 level. Indeed, the nation's central bank offered the most forceful guidance on record for daily reference rates to prevent further currency losses. Aluminium fluctuated during the day, settling pretty much unchanged at \$2,195/t. Copper broke below the \$8,400/t level after it struggled to pierce the \$8,500/t resistance. Both lead and zinc remained firmly supported above \$2,200/t and \$2,450/t, closing at \$2,225.50/t and \$2,463/t, respectively. Lead cash to 3-month spread continued to climb, edging to a June high of \$63/t – the only metal to see a front-month backwardation. Spreads elsewhere remained unchanged.

Oil futures remained unchanged, while gold and silver continued to drift lower into \$1,915/oz and \$23.00/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2193	2220	2186	2193.5	2192	16541	659919	-46.00	99.52
Copper	8462	8474	8362	8371.5	8473	21505	282078	-12.50	379.66
Lead	2225	2240	2202	2225.5	2225	6097	137054	53.00	100.88
Nickel	21010	21065	20560	20593	21065	3100	156319	-198.50	933.28
Tin	26420	26500	26205	26270	26350	149	15770	-241.00	1190.69
Zinc	2468	2482	2443	2463	2465	7491	200485	-20.00	111.90
				Total:		54883	1451625		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2158	2206	2339.75	2467.75	2144	2193	2157	2206.375	
Copper	8395	8412	8566.51	8611.51	8482.5	8487	8436.5	8450.75	
Lead	2300	2231	2231.35	2249.1	2296.5	2233.5	2279.625	2234.25	
Nickel	20550	20720	22174	23249	20840.5	21039	20593.75	20788.75	
Tin	26100	26250			26223	26445	25915	26092.5	
Zinc	2435.5	2461	2498.75	2513.75	2453.96	2472.5	2450.875	2473.5	

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	506875	25	4500	-4475	502400	275800	226600	Comex, USc/lb		
Copper	107400	3000	0	3000	110400	225	110175	SEP 23	381.1	-0.04
Lead	55350	300	0	300	55650	7750	47900	DEC 23	384.85	-0.09
Nickel	37164	300	48	252	37416	786	36630	Shanghai, CNY/mt		
Tin	6385	25	0	25	6410	145	6265	23-Sep	69790	0.27
Zinc	151575	0	3175	-3175	148400	58950	89450	23-Oct	69520	0.40

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change		% Change	AM	PM	
DAX	15739	-0.21	GBP	1.2499	-0.5174	Gold	1916.24	-0.5129	1931.8
DJI	34438	-0.59	JPY	147.5900	0.0881	Silver	23.10	-1.8864	1926.10
S&P500	4461	-0.80	EUR	1.0718	-0.0373	Gold Comex	1941.2	-0.584	2354.5
SSE	3158	0.12	CNY	7.3172	-0.1900	Platinum	911.39	-2.204	
Hg Seng	18450	-0.04	AUD	0.6382	0.0470	Palladium	1204.4	-1.2309	
Brent	90	0.22	CAD	1.3657	-0.1098				

Source: Bloomberg
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All price data is from 30.06.2023 as of 17:30

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