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Daily Base Metals Report

US stocks strengthened today following better-than-expected economic data releases. Retail sales advanced for another straight month, growing by 0.6% m/m, vs. the expected 0.1%. Labour market data also pointed to continued tightness, with initial jobless claims edging slightly higher to 220,000 in the week ending September 9th. The dollar continued to strengthen above 105, and the 10-year US Treasury yield held firm. Elsewhere, the ECB executed the 10th consecutive hike in its tightening cycle, pushing the interest rate to the new high of 4.0%. The euro sold off as the market began to price in the last hike of the tightening cycle, and we expect the euro's strength to diminish in the near term. Moreover, we expect that once inflation falls closer to the target, market jitters regarding the cuts will intensify. We believe the actual cuts will be in short supply, and a higher-for-longer interest rate environment will prevail over the H1 2024.

Base metals complex strengthened marginally today after the PBoC cut the reserve requirement ratio by 25bps, marking the second reduction this year. Whilst the move is another indicator of government commitment to support the economy, market response remains muted. We see that, while positive news out of China is supporting positive momentum on the day of the release, each incremental impact on base metals pricing is diminishing, given a continued deterioration of market confidence in economic recovery this year. Aluminium jumped higher, testing the \$2,230/t level before returning back to the current ranges, closing at \$2,224.50/t at the time of writing. Likewise, copper tried to test price levels above \$8,460/t but struggled above that level and returned to \$8,417.50/t. Zinc, on the other hand, breached the psychological resistance level of \$2,550/t to close at a May high of \$2,570/t.

Oil futures jumped higher once more on fundamental market tightness, with WTI and Brent trading above \$90/bl and \$93/bl. Gold and silver remained broadly unchanged.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2211	2239	2207	2224.5	2208	16277	657528	-41.10	100.72
Copper	8374	8491	8365	8417.5	8394	16888	278122	-45.25	382.47
Lead	2217	2248	2214	2245	2213	5436	147968	42.00	101.70
Nickel	20180	20575	20070	20343	20150	4088	157037	-250.00	919.89
Tin	25675	25940	25635	25895	25700	311	15349	-220.00	1170.96
Zinc	2526	2595	2519	2570	2528	14143	210391	-28.00	116.12
				Total:		57143	1466395		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2192.5	2235	2361	2481	2177.25	2217.5		2155.15	2201.25
Copper	8423	8465	8492.5	8542.5	8397.5	8417		8365.95	8387.65
Lead	2279	2230	2239.65	2251.65	2259.44	2217.5		2283.15	2230.65
Nickel	20255	20430	21460	22564	19858	20069		20203	20405.5
Tin	25650	25850			25487	25688		25632.5	25824.5
Zinc	2551	2575	2600.25	2615.75	2497.2	2526		2455.4	2479.8

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	491300	10550	3325	7225	498525	260050	238475	Comex, USc/lb		
Copper	143400	0	25	-25	143375	275	143100	SEP 23	375.6	0.11
Lead	53125	975	0	975	54100	3650	50450	DEC 23	379.3	0.03
Nickel	38742	0	0	0	38742	882	37860	Shanghai, CNY/mt		
Tin	6975	75	15	60	7035	490	6545	23-Sep	69480	0.20
Zinc	132200	0	4750	-4750	127450	51650	75800	23-Oct	69240	0.19

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change		% Change	AM	PM		
DAX	15805	0.97	GBP	1.2413	-0.6165	Gold	1910.86	0.1436	1912.15	1913.80
DJI	34864	0.83	JPY	147.0900	0.2515	Silver	22.68	-0.6866		2290.5
S&P500	4501	0.75	EUR	1.0656	-0.6897	Gold Comex	1932.4	-0.005		
SSE	3127	0.11	CNY	7.2799	-0.1126	Platinum	912.37	0.9259		
Hg Seng	18048	0.21	AUD	0.6446	0.3737	Palladium	1260.04	0.4777		
Brent	94	1.84	CAD	1.3509	0.2961					

Source: Bloomberg
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All price data is from 14.09.2023 as of 17:30

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