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Daily Base Metals Report

Base Metals Comment

US stocks edged lower as markets assessed this week's data ahead of the Fed decision next week. US inflation expectations fell to the lowest level in more than two years. Over the next year, expectations are at 3.1%, down from 3.5% last month; sentiment also fell to 67.7. At the same time, factory activity unexpectedly expanded amid new orders; production barely rose, restrained by a drop in output in vehicles. The market is only pricing in 15bps worth of hikes until the year-end, and investors expect rates to stay higher for longer. The dollar remained firm, and the 10yr yield stayed at 4.32%.

Despite Chinese economic indicators improving from the previous month, the whole base metals complex declined today. We expect that is due to the mean-reversion strategy taking place following the last two days of gains. Aluminium jumped lower to test the \$2,150/t level but immediately rejected it, coming back to \$2,190/t. Likewise, copper struggled above \$8,500/t, returning back to the recent average of \$8,400/t, closing at \$8,405.50/t. Nickel is once again testing the \$20,000/t support level. Lead edged higher, while zinc erased the previous day's gains, closing at \$2,261/t and \$2,520.50/t, respectively.

Oil futures remained unchanged, while gold and silver benefited from the risk-off sentiment across riskier assets today, edging to \$1,927/oz and \$23.20/oz, respectively.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2221	2232	2155	2190	2220	17822	658796	-42.55	99.36
Copper	8434	8508	8388	8405.5	8438	14864	264357	-51.00	381.23
Lead	2245	2269	2233	22161	2246	6329	146243	38.25	102.38
Nickel	20290	20360	19895	19924	20230	2557	158259	-251.50	903.75
Tin	25800	25945	25627	25703	25875	285	15407	-213.50	1170.28
Zinc	2572	2577	2514	2520.5	2560	9611	217299	-30.36	114.37
					Total:	51468	1460361		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	
							Cash	3M
Aluminium	2155.5	2197	2328.75	2455.75	2183.4	2224.5	2155.181818	2200.863636
Copper	8376.5	8427	8492.5	8542.5	8372.25	8417.5	8366.909091	8391.227273
Lead	2281	2245.5	2255.4	2267.4	2287	2245	2282.954545	2232
Nickel	19950	20050	21056	22160	20093	20343	20180	20373.18182
Tin	25600	25630			25675	25895	25629.54545	25806.81818
Zinc	2532.5	2561.5	2549.7	2565.2	2542	2570	2462.409091	2487.227273

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	
								Last	% Change
Aluminium	498525	1000	4125	-3125	495400	255925	239475	Comex, USc/lb	
Copper	143375	0	0	0	143375	275	143100	SEP 23	378.25 0.71
Lead	54100	0	0	0	54100	3650	50450	DEC 23	382.15 0.75
Nickel	38742	210	12	198	38940	906	38034	Shanghai, CNY/mt	
Tin	7035	10	30	-20	7015	465	6550	23-Sep	69800 0.46
Zinc	127450	0	4825	-4825	122625	46925	75700	23-Oct	69650 0.59

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change		Last	% Change	AM	PM	
DAX	15894	0.56	GBP	1.2397	-0.0967	Gold	1927.37	0.8677	1906.45	1901.75
DJI	34715	-0.55	JPY	147.8400	-0.2503	Silver	23.19	2.3749		2264
S&P500	4469	-0.80	EUR	1.0678	0.3289	Gold Comex	1949	0.838		
SSE	3118	-0.28	CNY	7.2749	0.0550	Platinum	930.24	2.0056		
Hg Seng	18183	0.75	AUD	0.6442	0.0311	Palladium	1247.29	-0.381		
Brent	94	0.21	CAD	1.3507	0.0074					

Source: Bloomberg
Updated: 15/09/2023 17:30

All price data is from 15.09.2023 as of 17:30

Risk warning

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