First Read

Daily Commodities Note

Gold rises as oil provides relief

Prices: Iron Ore 61% cfr N China +0.7%% $96.65/dmt; HCC PLV -1.0% $277.90/t; Thermal Coal NEWC unch $148.56/t; GFEX Li -2.0% RMB128,580/t; Spodumene -2.1% $1,825/t; Cu +0.5% $6.61/lb; Al unch $1.50/lb; Ni -0.3% $7.36/lb; Au +0.8% $4,377/oz; Brent -0.2% $103.87/bbl; WTI -0.1% $92.05/bbl

Bulks: Iron Ore supported by higher than expected hot metal output.

Base Metals: Copper up as China demand signals offset US tariff uncertainty.

Precious Metals: Gold rises as lower oil prices eased inflationary concerns.

Oil: Brent lower after China asks Iran to limit Houthi attacks on Saudi oil facilities.

Resources Headlines

China Rare Earth Group in talks to buy MP Materials shareholder Shenghe Resources, sources say...

US, China discuss cutting tariffs on US LNG ahead of Xi visit...

Aramco halts October crude deliveries to some European refiners after pipeline attack, Bloomberg reports...

Prysmian, Rio Tinto partner to bring low-carbon aluminum to Amazon data center...

Economic Headlines

US factory production falls in August; outlook clouded by rising costs...

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Key UBS Research

Copper - Catalysts & risks into 4Q26. LME copper has largely recovered the sell down triggered by 'US tariff delays' on 10th Sept with 3mth prices holding above $14k/t. Whilst investors generally remain structurally constructive on the medium-term copper outlook; near-term sentiment is nervous at current levels due to US tariff tail risks and there is active debate of how tight the underlying copper market will be in 2027? Link to note. Source: UBS.

China EV & Battery Monthly - August: EV penetration broadened across domestic and export markets. According to the China Passenger Car Association (CPCA), NEV wholesale volume rose to 1.5m units in August, up 4% MoM and 18% YoY, driving wholesale EV penetration to a sustained high of 64%, up 12ppt YoY. Domestic brands had average NEV penetration of 74%, while luxury and JV brands reached 53% and 16%, respectively. NEV insurance registrations in August were for 980k units, up 6% MoM but down 11% YoY, bringing NEV insurance penetration to 63%. By powertrain, BEVs gained 5.8ppt share YoY, while PHEVs and EREVs lost 4.6ppt and 1.2ppt, respectively. Link to note. Source: UBS.

News sources: Reuters, Bloomberg, Platts, AFR, Australian Mining, TradeTech, etc.

Figure 1: Overnight Commodity Moves

Commodity	Last Price	Change	Unit	% change	% MTD	% YTD
BULK COMMODITIES						
Iron Ore	96.65	+0.65	US$/dmt	+0.7%	-2.9%	-8.4%
Metallurgical Coal	277.90	-2.90	US$/t	-1.0%	+2.9%	+27.5%
BASE METALS						
Copper	6.61	+0.03	US$/lb	+0.5%	+2.0%	+16.8%
Aluminium	1.50	-0.00	US$/lb	-0.0%	+0.6%	+9.4%
Nickel	7.36	-0.02	US$/lb	-0.3%	-2.6%	-3.5%
Zinc	1.79	+0.03	US$/lb	+1.5%	+0.4%	+26.0%
PRECIOUS METALS						
Gold	4,376.91	+36.82	US$/oz	+0.8%	+1.1%	+1.1%
Silver	66.23	+1.04	US$/oz	+1.6%	+3.1%	-8.8%
Platinum	1,800.13	+31.10	US$/oz	+1.8%	+3.4%	-16.0%
Palladium	1,302.20	+10.95	US$/oz	+0.8%	-0.7%	-20.5%
ENERGY						
Thermal Coal	148.56	+0.00	US$/t	+0.0%	+8.4%	+40.5%
Uranium	89.90	+0.00	US$/lb	+0.0%	+0.4%	+9.8%
Brent Oil	103.87	-0.22	US$/bbl	-0.2%	+9.1%	+70.8%
WTI	92.05	-0.10	US$/bbl	-0.1%	+8.1%	+61.5%
JKM	27.51	+0.76	US$/mmbtu	+2.8%	+16.5%	+183.6%
STRATEGIC MINERALS						
Lithium Carbonate	17,300.00	+0.00	US$/t	+0.0%	-11.3%	+27.2%
Lithium Hydroxide	16,000.00	-300.00	US$/t	-1.8%	-19.2%	+29.0%
Spodumene 6%	1,825.00	-40.00	US$/t	-2.1%	-21.2%	+15.9%
NdPr Oxide	96.32	+0.14	US$/kg ex VAT	+0.1%	+0.1%	+24.9%
FX						
AUD-USD	0.71	+0.00		+0.1%	-0.4%	+6.3%
USD-CNY	6.70	-0.01		-0.1%	-0.3%	-4.2%
USD-BRL	5.14	+0.02		+0.3%	-0.2%	-5.1%
USD-ZAR	16.26	+0.01		+0.0%	+0.6%	-1.3%
USD-CLP	958.97	-1.68		-0.2%	+2.4%	+6.0%

Source: Reuters



Valuation Method and Risk Statement

We point out to investors the potential risks inherent in the mining sector that affect investments in the sector, including, but not limited to, the volatile nature of commodity prices and currencies, which may differ materially from expectations. Furthermore, the sector is exposed to political, financial and operational risks, each of which has the potential to significantly impact company/industry performance. Our valuations for the mining sector are derived using a DCF methodology or combined DCF and EV/EBITDA.