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Daily Base Metals Report

US stock indexes opened lower today, with the exception of the Dow Jones, which managed a modest rise. Recent winners, including artificial intelligence companies and bitcoin-related stocks, led the decline as traders adjusted their expectations for Fed policy this year. The prospect of substantial relief through rate cuts has diminished amid strong economic data, placing pressure on these high-performing sectors. In global trade news, China's trade surplus with the rest of the world reached a record high of nearly \$1 trillion in 2024. This surge was likely a result of "front-loading" exports, as producers accelerated shipments to get goods out before a potential trade war with the incoming Trump administration. In currency and bond markets, the dollar index tested the 110 level, reflecting its strength amid shifting Fed expectations. The 10-year US Treasury yield edged slightly lower but remained near 4.8%, a level not seen since 2023 before monetary policy easing began. This persistence at elevated levels is due to robust US economic data, which has reshaped market expectations, now anticipating only one 25bps rate cut from the Fed this year instead of a more aggressive easing cycle.

Base metals have maintained a modest rally despite the continued strength of the US dollar index, which has climbed to 110. Indeed, a decoupling appears to be emerging between base metals and the dollar, which traditionally exhibits a strong negative correlation. Instead, the COMEX/LME copper arb is creating volatility in the market, prompting LME to align with the gains seen in COMEX. If copper gains above the \$9,200/t level, we expect that more market participants will rejoin the market, leading to further price increases. In the meantime, copper remained slightly below the \$9,100/t mark at \$9,094.50/t. Aluminium remained elevated, finding support at \$2,550/t. Lead corrected back to \$1,958.50/t, while zinc held at \$2,865.50/t. Nickel continued to gain momentum above \$15,500/t.

Gold gave back gains from the previous session, retreating to \$2,665/oz, while silver fell sharply below the \$30.00/oz mark, trading at \$29.60/oz. Oil prices held steady, with WTI at \$78.40/bbl and Brent crude at \$80.10/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2561	2592	2561	2578.5	2569	16177	670538	-17.00	116.78
Copper	9082	9150	9064	9094.5	9074	15277	275847	-111.50	412.89
Lead	1978	1981	1941	1958.5	1981	5346	148537	-18.50	88.29
Nickel	15630	15920	15620	15901	15665	7942	227407	-225.21	720.09
Tin	30000	30160	29510	29866	29980	660	19900	-256.00	1356.48
Zinc	2863	2905	2855	2865.5	2863	9831	218659	-41.00	130.05
					Total:	55233	1560888		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash	3M
Aluminium	2573	2588	2579.5	2583.5	2557.85	2571.5	2510.625	2536.1875
Copper	8980	9105	9429.75	9514.75	8991.86	9091.5	8868.625	8980.75
Lead	1926	1959	2076.77	2141.77	1956.52	1975	1917.5	1948.125
Nickel	15560	15780	17237.85	17997.85	15450.61	15658	15161.875	15388.125
Tin	29605	29900			29661	29886	29384.375	29560.625
Zinc	2839	2886	2827	2747	2831.9	2868	2853.5625	2890.9375

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets Last	% Change
Aluminium	621875	0	2500	-2500	619375	370150	249225	Comex, USc/lb	
Copper	264425	800	1775	-975	263450	9925	253525	MAR 25	430.4 -0.13
Lead	225725	0	2550	-2550	223175	27525	195650	MAY 25	432.95 -0.10
Nickel	164904	0	0	0	164904	11520	153384	Shanghai, CNY/mt	
Tin	4755	0	100	-100	4655	125	4530	01-Jan	75350 0.12
Zinc	214075	0	3450	-3450	210625	56875	153750	01-Feb	75310 0.13

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	20155	-0.30	GBP	1.2162	-0.3686	Gold	2666.24	2679.45	2687.45
DJI	42042	0.25	JPY	157.6100	0.0761	Silver	29.66		3035.5
S&P500	5794	-0.57	EUR	1.0209	-0.3417	Gold Comex	2685.2		
SSE	3161	-0.25	CNY	7.3319	0.0095	Platinum	959.21		
Hq Seng	18874	-1.00	AUD	0.6155	0.1301	Palladium	935.16		
Brent	81	1.88	CAD	1.4409	0.0972				

Source: Bloomberg
Updated: 13/01/2025 17:30

All price data is from 13.01.2025 as of 17:30

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