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Daily Base Metals Report

US stocks opened higher today, supported by mixed inflation data in the US and the UK. In the US, headline CPI rose as expected, climbing from 2.7% to 2.9% YoY, while core CPI softened slightly, declining from 3.3% to 3.2%. This divergence suggests that inflationary pressures remain present but are more concentrated in volatile components such as food and energy while underlying price growth shows signs of stabilising. In the UK, inflation data came in softer than expected. Headline CPI declined to 2.5% YoY, while core CPI fell more sharply than anticipated, dropping from 3.5% to 3.2%. The significant decline in core inflation reflects easing price pressures in non-volatile goods and services. This triggered a rebound in the pound, reversing some of its recent losses against the dollar.

The dollar index weakened broadly against major currencies, falling below the 109 level as the softer inflation prints reinforced expectations of a gradual approach to rate cuts by the Fed. Meanwhile, the 10-year US Treasury yield dropped sharply to 4.65%, reflecting a recalibration of market expectations for monetary policy.

Despite dollar weakness after the CPI print, the metals market continued to trade independently of macroeconomic indicators. Copper is approaching the key \$9,200/t resistance level, closing below it at \$9,167.50/t. Meanwhile, nickel struggled above the \$16,000/t resistance, edging slightly lower to \$15,850/t today. Aluminium tested the \$2,600/t resistance but struggled to break above the level completely. Lead continued to fluctuate around the \$1,950/t level.

Gold saw modest gains, rising slightly to \$2,679/oz. Silver, however, showed stronger momentum, surging past the \$30/oz level to \$30.30/oz. Oil prices continued their upward trajectory, supported by improved risk sentiment and expectations of tighter global supply. WTI rose to \$78.70/bbl, while Brent crude climbed to \$80.70/bbl, marking steady gains in energy markets.

All price data is from 15.01.2025 as of 17:30

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