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Daily Base Metals Report

US markets were closed today in observance of Martin Luther King Jr. Day and the inauguration of Donald Trump as the 47th President of the United States. Markets had already been pricing in expectations of Trump's inflationary policies, which contributed to the dollar's strength in recent days. However, as investors realised they would need to wait for further policy details, the dollar saw a sharp pullback, with the dollar index dropping to just above 108.2. Meanwhile, the 10-year US Treasury yield remained mostly unchanged, hovering slightly above 4.6%.

The base metals space opened on a cautious note, following the previous week's gains and the incoming Trump administration. Bets for immediate announcement of tariffs has fuelled market expectations for a strong dollar. However, after Trump's inauguration, the lack of clarity on specific policies led to a selloff in the index, which provided some marginal gains across the complex. Copper remained steady above the \$9,200/t mark, while aluminium edged higher to test the \$2,700/t level. Aluminium remains particularly sensitive to supply dynamics. As the metal was trading at the lower end of its range, the announcement of potential sanctions on Russian suppliers has triggered a significant rally. At current levels, we believe that aluminium is exhausting its upside potential and expect a moderate decline as it mean reverts in the coming days. Lead and zinc edged higher to \$1,990/t and \$2,970/t, respectively.

Precious metals saw gains today, supported by the weaker dollar. Gold ticked slightly higher, trading at 2,708/oz, while silver climbed to 30.6/oz. Oil prices declined, with Brent crude falling to 79.9/bbl as Trump's policies are expected to favour increased US oil and gas production, potentially leading to higher supply.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2680	2711	2667	2691.5	2681	25042	670164	-9.03	121.88
Copper	9190	9297	9145	9275.0	9182	21889	291488	-111.98	420.82
Lead	1968	1996	1963	1985.0	1966	4297	147277	-34.25	89.95
Nickel	16045	16135	15810	16102.0	16080	4856	222497	-220.48	728.93
Tin	29840	30700	29637	30390.0	29850	810	18934	-227.00	1389.82
Zinc	2942	2986	2925	2963.5	2945	8959	223069	-41.19	134.26
					Total:	65853	1573429		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2675	2682.5	2696.5	2686.5	2674.08	2684.5	2551	2571.307692	
Copper	9043.5	9160	9597	9657	9081.89	9190	8945.807692	9059.115385	
Lead	1948.5	1982	2107.69	2165.69	1939.85	1967	1921.230769	1952.076923	
Nickel	15680	15860	17457.3594	18217.35938	15885.58	16097	15362.30769	15583.46154	
Tin	29350	29650			29552	29775	29388.46154	29573.84615	
Zinc	2891	2933	2934.62	2854.62	2903.36	2942	2850.038462	2888.269231	

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	609375	0	2500	-2500	606875	357700	249175	Comex, USc/lb	
Copper	260075	100	25	75	260150	18200	241950	MAR 25	436.85
Lead	234375	0	1725	-1725	232650	20300	212350	MAY 25	440
Nickel	169494	720	0	720	170214	12420	157794	Shanghai, CNY/mt	
Tin	4650	0	0	0	4650	465	4185	01-Jan	0
Zinc	201350	0	2225	-2225	199125	55550	143575	01-Feb	75510

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	20990	0.42	GBP	1.2277	0.8875	Gold	2707.03	0.1398	2705.1	2715.20
DJI	43488	0.78	JPY	155.9400	0.2309	Silver	30.57	0.6533		3063
S&P500	5997	1.00	EUR	1.0380	1.0416	Gold Comex	2724	-0.899		
SSE	3244	0.08	CNY	7.2708	0.7482	Platinum	944.52	0.0127		
Hq Senq	19926	1.75	AUD	0.6249	0.9042	Palladium	937.95	-1.4241		
Brent	80	-0.99	CAD	1.4339	0.9624					

Source: Bloomberg
Updated: 20/01/2025 17:30

All price data is from 20.01.2025 as of 17:30

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