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# Daily Base Metals Report

US stocks closed the week with additional gains, remaining close to their all-time high. The S&P 500 is now trading at 6115. At the beginning of the week, markets anticipated several policy statements as Trump took office. While many measures have been announced on his behalf, there are still few concrete actions that the market can confidently rely on. Furthermore, the markets have already priced in the worst-case scenarios; current price moves remain stable, indicating that much of the volatility had been factored in before he assumed office. From the macroeconomic perspective, US consumer sentiment softened in January, marking the first decline in six months. At the same time, respondents expect inflation to remain sticky for the next 5-10 years at a 3.2% annual rate. The dollar sold off below the robust 108 mark, as the 10-year US Treasury yield held steady at 4.61%. This, coupled with positive PMI performances in the UK and the EU, prompted the EUR and GBP to break higher against the dollar.

Base metals started the week on the front foot, continuing to build on the gains from recent weeks. However, due to a lack of strong indicators to drive prices higher, mean reversion strategies came into play, leading to a slight price correction. As the first week of Trump's administration draws to a close, the complex is becoming less influenced by macroeconomic factors and tariff announcements, indicating a lack of confidence in the current narrative of US protectionism. Even in a more speculative-driven COMEX space, this belief is highlighted. With the Lunar New Year approaching, we expect continued drifting and mean-reversions in the market, led by copper.

In the meantime, the market held steady, with aluminium and copper holding their nerve at \$2,641/t and \$9,276/t, respectively. Likewise, lead and zinc were marginally softer at \$1,939/t and \$2,827.50/t. Nickel found support at \$15,640/t and held above it at \$15,668/t.

Following yesterday's decline, WTI and Brent remained broadly unchanged at \$74/bbl and \$78/bbl, respectively. Meanwhile, amid political and economic uncertainty, gold is nearing its record high of \$2,790/t.

All price data is from 24.01.2025 as of 17:30

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