



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

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Daily Base Metals Report

US stocks opened lower today as technology stocks faced heavy selling pressure. Investors reacted to the emergence of a low-cost Chinese artificial intelligence model DeepSeek, raising concerns about the competitive dominance of major US tech firms, with Nvidia among the hardest hit. On the macroeconomic front, US new home sales in December rose to 698k, up from an upwardly revised 674k in the previous month, indicating continued resilience in the US housing market despite high mortgage rates. In currency markets, the dollar depreciated against major currencies, particularly the Japanese yen, following a 25bps interest rate hike by the Bank of Japan (BoJ). The USD/JPY pair fell to 154.3, its lowest level since mid-December as expectations grow of more BoJ interest rate hikes this year. The dollar index plunged to 107.3, reflecting broader weakness, while the 10-year US Treasury yield also declined, hovering just above 4.5%. Markets had been anticipating the rollout of Trump's proposed tariffs, but with no announcement yet, fears of immediate inflationary pressures have eased, reducing expectations that the Fed will not need to keep interest rates elevated for longer. In China, Manufacturing PMI for January slipped back into contraction territory, falling from 50.1 to 49.1, while non-manufacturing PMI declined from 52.2 to 50.2, signalling a slowdown in economic activity at the start of the year.

Base metals weakened today despite continued softness in the dollar, further underscoring the disconnect between macroeconomic fundamentals and the broader complex. Instead, given the absence of Chinese market players due to holidays, metals are reverting to their regression means, which have been recorded over the last couple of months. For copper, this level is set at \$9,120/t, and the metal dipped slightly below it by the end of the day. Likewise, aluminium is testing the \$2,600/t support level, a breach of which could trigger moderate weakness to the mean at \$2,573/t. Lead and zinc held their nerve, struggling to find the impetus to break higher. Nickel rejected prices below \$15,500/t.

Precious metals struggled to maintain recent momentum. Gold declined, trading below 2,740/oz, failing to break through the record levels it neared at the end of last week. Silver also edged slightly lower, trading at 30.3/oz. Oil prices softened, with WTI at 73.3/bbl and Brent crude at 77.2/bbl, as markets weighed global demand concerns following weaker Chinese data.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
Aluminium	2631	2639	2592	2602.5	2632	16553	681638	-9.91	118.05
Copper	9230	9267	9077	9095.0	9269	20345	294105	-122.94	412.55
Lead	1937	1957	1937	1949.0	1937	4914	147399	-37.88	88.41
Nickel	15595	15830	15510	15560.0	15580	4689	224084	-218.66	705.80
Tin	30180	30240	29530	29643.0	30150	424	19750	-184.00	1344.60
Zinc	2829	2849	2812	2839.0	2824	9074	221075	-47.81	128.78
					Total:	55999	1588051		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2616.5	2621.5	2660.5	2677.5	2633.67	2641	2570.638889	2588.138889	
Copper	9051	9185	9454	9539	9156.25	9276	8989.472222	9105.25	
Lead	1913	1953	2075.37	2132.37	1901.63	1939	1922	1954.666667	
Nickel	15505	15760	16912.17969	17682.17969	15462.09	15668	15423.61111	15645	
Tin	30000	30150			29994.99	30156	29570	29748.88889	
Zinc	2791	2839	2876.16	2798.16	2782.36	2827.5	2845.527778	2886.027778	

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	595175	0	2550	-2550	592625	349825	242800	Comex, US\$/lb		
Copper	257625	0	1800	-1800	255825	24650	231175	MAR 25	432.1	-0.17
Lead	225475	625	1350	-725	224750	20900	203850	MAY 25	436.15	-0.02
Nickel	173808	0	36	-36	173772	11682	162090	Shanghai, CNY/mt		
Tin	4565	25	150	-125	4440	270	4170	01-Feb	75400	0.12
Zinc	188425	0	1775	-1775	186650	44950	141700	01-Mar	75550	0.15

Global Markets

Global Markets			Currencies			Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change		Last	% Change	AM	PM	
DAX	21282	-0.53	GBP	1.2478	-0.0481	Gold	2735.86	-1.2532	2771.05	2776.80
DJI	44490	0.15	JPY	154.4400	1.0101	Silver	30.08	-1.6583		3084
S&P500	5983	-1.93	EUR	1.0486	-0.1048	Gold Comex	2765.5	-1.464		
SSE	3251	-0.06	CNY	7.2446	-0.0483	Platinum	947.36	-0.4299		
Hg Seng	20198	0.66	AUD	0.6279	-0.5543	Palladium	959.96	-2.8312		
Brent	77	-2.13	CAD	1.4389	-0.3336					

Source: Bloomberg
Updated: 27/01/2025 17:30

All price data is from 27.01.2025 as of 17:30

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