



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

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Daily Base Metals Report

US stocks opened higher today, recovering from yesterday's declines as investors adjusted their positions ahead of key central bank meetings later this week. However, today's macroeconomic reports painted a mixed picture of the economy. Durable Goods Orders for December fell by 2.2%, significantly missing expectations of a 0.6% increase. Durable Goods Orders measure the demand for long-lasting manufactured goods, providing insight into business investment and consumer spending trends. A decline suggests softer capital expenditures and potential cooling in economic activity. Additionally, Conference Board Consumer Confidence dropped more than expected, with January's reading at 104.1, down from an upwardly revised 109.5 in December. The decline reflects increasing consumer concerns about future economic conditions, particularly amid uncertain policy developments. Despite these weaker data points, the dollar index strengthened, rising against major currencies, including the Japanese yen, and trading at 107.9. Meanwhile, the 10-year US Treasury yield also climbed, standing at 4.57%.

Today, President Trump threatened to impose tariffs on US imports of copper, aluminium, and steel. While this marks first direct remark targeting the metal sector, there is still little clarity on the timing, scale, or specifics of these tariffs. Currently, tariffs stand at 10% on aluminium and 25% on steel, with no formal tariffs on copper. These levels also vary for materials imported from China.

The uncertainty surrounding the scale of changes weighed on LME metals performance. A lack of market participation due to Chinese holidays also further added to the muted sentiment. However, the COMEX market has shown a stronger reaction to these threats. While LME copper weakened to \$8,982/t, COMEX copper ticked slightly higher, further widening the premium between two exchanges. There has been a notable trend where tariff and policy uncertainty has been reflected more on COMEX, given greater influence of speculative players. We expect this differential to remain volatile in the coming months given trade policy uncertainty.

In the meantime, aluminium weakened below the \$2,600/t mark to \$2,570/t. Zinc breached a key support level of \$2,800/t, breaking below it to \$2,771/t – a September 2024 low. Nickel is trading below \$15,500/t at the time of writing.

Gold continued to rise, trading at \$2,757/oz, despite higher Treasury yields and a stronger dollar. The recent divergence between traditionally negative correlations of gold and yields suggests increasing demand for the metal as a hedge against geopolitical and economic uncertainties. Silver edged slightly higher, standing at \$30.2/oz. Oil prices gained steadily throughout the session, with WTI rising to 73.3/bbl and Brent crude climbing to 77.2/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2608	2609	2570	2572.5	2609	14947	682053	-7.76	116.89
Copper	9101	9112	8982	8987.0	9087	17346	292252	-124.00	408.83
Lead	1949	1950	1926	1936.0	1953	4022	147043	-37.88	87.82
Nickel	15585	15650	15370	15435.0	15565	4448	219842	-213.60	698.54
Tin	29645	29995	29405	29663.0	29595	374	19558	-185.00	1346.05
Zinc	2841	2846	2771	2775.0	2838	9837	220583	-50.46	125.85
					Total:	50974	1581331		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2572	2581	2646.13	2672.13	2592.59	2602.5	2570.710526	2587.763158	
Copper	8890.5	9015	9385	9539	8972.06	9095	8984.263158	9100.5	
Lead	1897	1937	2075.37	2132.37	1911.12	1949	1920.684211	1953.736842	
Nickel	15240	15525	16804.85938	17574.85938	15341.34	15560	15413.94737	15638.68421	
Tin	29620	29800			29459	29643	29572.63158	29751.57895	
Zinc	2746.5	2796	2821.18	2771.18	2791.19	2839	2840.315789	2881.289474	

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	592625	2725	2500	225	592850	347325	245525	Comex, USc/lb		
Copper	255825	1100	425	675	256500	24225	232275	MAR 25	432.1	-0.17
Lead	224750	0	2225	-2225	222525	19075	203450	MAY 25	436.15	-0.02
Nickel	173772	0	672	-672	173100	11184	161916	Shanghai, CNY/mt		
Tin	4440	0	70	-70	4370	205	4165	01-Feb	75400	0.12
Zinc	186650	0	3625	-3625	183025	42325	140700	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	21431	0.70	GBP	1.2433	-0.5280	Gold	2758.78	0.6556	2767.1	2742.40
DJI	44807	0.21	JPY	155.6600	-0.7388	Silver	30.38	0.5368		3058
S&P500	6038	0.42	EUR	1.0427	-0.6195	Gold Comex	2793.2	0.976		
SSE	3251	-0.06	CNY	7.2446	-0.0483	Platinum	942.83	-0.7474		
Hg Seng	20225	0.14	AUD	0.6245	-0.7628	Palladium	954.38	-0.9435		
Brent	77	-0.04	CAD	1.4392	-0.1251					

Source: Bloomberg
Updated: 28/01/2025 17:30

All price data is from 28.01.2025 as of 17:30

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