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Daily Base Metals Report

US stocks opened lower today, following declines in European and Asia-Pacific markets after Donald Trump imposed new tariffs last Saturday. However, in a late development, Trump agreed to pause the planned 25% tariffs on goods from Mexico just hours before they were set to take effect. Tariffs on Canadian goods remain in place at 25%, alongside a 10% levy on Chinese imports. Energy products from Canada face a reduced tariff rate of 10%, reflecting the strategic importance of cross-border energy trade. While the pause on Mexican tariffs eased some concerns, higher import costs from other regions are still expected to fuel inflationary pressures in the US, particularly in sectors reliant on foreign goods, complicating the Federal Reserve's efforts to manage price stability. In Canada, the tariffs are likely to weigh on business confidence and disrupt supply chains, especially in industries like automotive, agriculture, and energy. The 10% tariff on Chinese goods is relatively modest compared to the previously announced 60%. The dollar surged against major currencies at the start of the day, with the index reaching 109.8, but later softened, trading below 109.0 at the time of writing. The 10-year US Treasury yield dropped to 4.5%.

In line with our previous comment, the weekend announcement from the Trump administration about a 10% increase in tariffs on China generated positive sentiment across the market. Notably, aluminium, which is highly concentrated in production geographically and therefore more vulnerable to supply chain disruptions, experienced the most significant increase, rallying back above \$2,600/t to reach \$2,623/t. While LME copper prices remained subdued at \$9,099/t, the COMEX/LME spread stayed elevated, reflecting the speculative impact of the tariffs more accurately through COMEX. Meanwhile, gains in other metals were moderate. While lead and zinc strengthened today, they remained below their respective resistance levels of \$1,950/t and \$2,800/t. Nickel remained above the \$15,000/t support level.

Gold's safe-haven appeal lifted its price to a new record high, reaching \$2,830/oz. Silver traded lower at \$31.3/oz, continuing its recent trend of behaving more like an industrial metal than a traditional safe-haven asset. Oil prices rose at the start of the trading session but declined later in the day, with WTI and Brent crude trading at \$72.7/bbl and \$75.6/bbl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2560	2634	2554	2623.0	2594	21409	680632	6.33	118.93
Copper	9008	9113	8915	9099.0	9064	20939	276358	-120.00	412.59
Lead	1945	1958	1935	1945.5	1950	6307	147679	-38.76	88.13
Nickel	15180	15255	15030	15208.0	15230	6792	225098	-214.43	691.28
Tin	29925	29990	29650	29924.0	30170	326	19698	-143.00	1358.52
Zinc	2737	2810	2707	2799.0	2748	11766	225940	-48.64	127.19
					Total:	67539	1575405		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2584	2580	2670.71	2685.71	2592.24	2594		2584	2580
Copper	8866.5	8986	9251.8	9501.5	8928.47	9048		8866.5	8986
Lead	1907	1946	2071.51	2126.51	1912.63	1949.5		1907	1946
Nickel	14900	15115	16554.5	17324.5	15003.12	15210		14900	15115
Tin	29565	29775			29944	30102		29565	29775
Zinc	2699	2746	2838.39	2799.39	2692.23	2742		2699	2746

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	587850	0	650	-650	587200	341675	245525	Comex, USc/lb		
Copper	256225	625	1725	-1100	255125	22200	232925	MAR 25	430.75	0.57
Lead	221475	0	850	-850	220625	28575	192050	MAY 25	435.4	0.65
Nickel	172302	198	0	198	172500	10164	162336	Shanghai, CNY/mt		
Tin	4295	0	0	0	4295	295	4000	01-Feb	0	0.00
Zinc	180725	0	1450	-1450	179275	40250	139025	01-Mar	0	0.00

Global Markets

Global Markets			Currencies			Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change		Last	% Change	AM	PM	
DAX	21428	-1.40	GBP	1.2395	0.0000	Gold	2817.04	0.6657	2791.5	2812.05
DJI	44395	-0.34	JPY	154.6100	0.3751	Silver	31.50	0.6255		3160.5
S&P500	6004	-0.60	EUR	1.0284	-0.7528	Gold Comex	2857.2	0.783		
SSE	3251	-0.06	CNY	7.2446	-0.0483	Platinum	966.58	-1.6264		
Hg Seng	20217	-0.04	AUD	0.6179	-0.6272	Palladium	1014.67	-0.1653		
Brent	76	-0.04	CAD	1.4601	-0.4109					

Source: Bloomberg
Updated: 03/02/2025 17:30

All price data is from 203.02.2025 as of 17:30

Risk warning

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