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# Daily Base Metals Report

## US Resilience Under Spotlight

### Summary

- Weaker market sentiment failed to weigh on the dollar, which remained resilient amid inflation concerns due to Trump's tariffs.
- Copper rallied as tariff fears trickled through the speculative side of the market.
- Gold surged to new highs, while oil prices edged higher amid ongoing geopolitical risks.

US stocks declined after the opening as the University of Michigan Sentiment survey came in weaker than expected, reflecting growing concerns that inflation could reaccelerate due to the impact of Trump's tariffs. Labour market data was mixed, with job growth slowing more than anticipated in January following strong gains in the previous two months. However, the unemployment rate remained at 4.0%, which may reinforce the Fed's cautious stance on rate cuts, likely delaying any monetary easing until at least mid-year. Markets have also been influenced by the growing sentiment that Trump might announce additional tariffs soon. As a result, the dollar index surged, testing the 108.0 level, while the 10-year US Treasury yield rebounded, once again approaching 4.5%.

In the LME space, copper rallied today, breaking above the robust 200-day moving average of \$9,453/t to test the highs of \$9,500/t. We believe that speculative players drove the momentum, particularly given the sustained gains seen in COMEX, which have further widened the COMEX/LME arb. Furthermore, the absence of any concrete tariff announcements in the metals sector indicated that fundamentals did not entirely drive the market's momentum, and instead, speculators took control. The next robust level of resistance for copper is now at \$9,500/t. However, we expect markets to struggle above this level in the meantime, as today's gains have pushed copper closer to the overbought territory. We expect a slight correction in copper prices, bringing it down to around \$9,200/t in the near term.

Gains in copper were reflected in other metals, albeit with marginal gains, as individual resistance levels hindered further gains. Aluminium tested the \$2,650/t resistance but struggled above it, pulling back to \$2,628/t. Similarly, lead and zinc strengthened marginally, with lead once again approaching the \$2,000/t resistance. Zinc closed at \$2,840/t.

Gold recovered from yesterday's pullback, breaking new record highs and trading at \$2,880/oz. Silver followed, rising to \$32.4/oz at the time of writing. Oil prices climbed steadily, with WTI at \$70.7/bbl and Brent crude at \$74.3/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2623	2651	2622	2628.0	2625	16347	680159	3.80	119.18
Copper	9299	9507	9293	9407.5	9289	32570	281368	-121.50	426.34
Lead	1991	2021	1990	1993.0	1989	6560	155706	-28.57	90.61
Nickel	15845	15845	15675	15756.0	15875	6189	227023	-218.20	712.15
Tin	30990	31305	30990	31109.0	31040	531	19869	-143.00	1409.33
Zinc	2827	2875	2819	2840.0	2826	11925	226296	-48.96	128.82
					<b>Total:</b>	<b>74122</b>	<b>1590421</b>		

Official Prices	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2639.5	2634.5	2644.46	2654.46	2625.15	2619	2621.1	2614.7	
Copper	9288	9412	9643.22	9735.72	9155.36	9276.5	9067.5	9189.9	
Lead	1981	2008.5	2102.13	2155.13	1960.43	1989	1943.9	1977.3	
Nickel	15575	15775	17050.72	17805.72	15594.36	15811	15215	15428	
Tin	31110	31235			30873	31002	30447	30579	
Zinc	2816	2863.5	2858.98	2819.98	2769.04	2818	2752.7	2802.5	

LME Stocks (tonnes)	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	572200	0	4500	-4500	567700	322275	245425	Comex, USc/lb		
Copper	249275	1875	3525	-1650	247625	23775	223850	MAR 25	444.4	2.08
Lead	221325	1250	850	400	221725	43000	178725	MAY 25	448.3	2.06
Nickel	173562	2268	120	2148	175710	11604	164106	Shanghai, CNY/mt		
Tin	4285	30	135	-105	4180	410	3770	01-Feb	75970	1.02
Zinc	172475	0	2025	-2025	170450	36525	133925	01-Mar	75910	0.80

Global Markets	Last	% Change	Currencies	Last	% Change	Precious Metals	Last	% Change	Previous Day's Fix	AM	PM
DAX	21781	-0.56	GBP	1.2400	-0.2815	Gold	2864.44	0.2857	2861.2	2838.95	
DJI	44492	-0.57	JPY	151.0900	0.2118	Silver	32.15	-0.0693		3202	
S&P500	6051	-0.53	EUR	1.0331	-0.5008	Gold Comex	2888.9	0.424			
SSE	3304	1.01	CNY	7.2945	-0.1275	Platinum	987.34	-0.2636			
Hg Seng	21134	1.16	AUD	0.6264	-0.3024	Palladium	982.39	-0.1869			
Brent	74	0.13	CAD	1.4318	-0.0698						

Source: Bloomberg  
Updated: 07/02/2025 17:30

All price data is from 07.02.2025 as of 17:30

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