



Authors

Viktoria Kuszak
Research Associate

WED 19 FEBRUARY 2025 00:10

Daily Base Metals Report

Summary

- Geopolitical uncertainty surrounding US-Russia talks on Ukraine, held without Kyiv, fuelled safe-haven demand, supporting gold near record highs.
- Appetite for base metals was muted, leading to modest price moves across the board.
- Rising wage pressures in the UK complicate the BoE's rate-cut outlook, adding uncertainty to its monetary policy path.

US stocks declined at the open as geopolitical tensions took centre stage following US-Russia talks in Riyadh, which excluded Kyiv, raising concerns among European allies. European leaders reiterated their commitment to supporting Ukraine amid uncertainty over Washington's long-term stance and Europe's ability to sustain military aid. On the economic front, the New York Empire State Manufacturing Index rebounded sharply in February, rising to 5.7 from -12.6 in January, suggesting improved business conditions in the sector. In France, annual inflation accelerated to 1.7% in January, surpassing market expectations of 1.4% and up from December's 1.3%, driven primarily by higher services prices. Meanwhile, UK wage growth remained strong, with average earnings rising by 5.9% in the final three months of 2024, marking the third consecutive month of increasing wage pressures. This persistent growth complicates the Bank of England's plans to begin cutting interest rates in the near term. The dollar strengthened against the euro and sterling, lifting the dollar index closer to 106.9, while the 10yr US Treasury yield increased and stood above 4.5%.

Another day of mixed market sentiment was seen among the base metals complex, as markets struggled to find a sense of direction for prices. This resulted in moderate moves across the board today. Copper opened on the back foot, testing prices below the \$9,400/t support level; these prices failed to hold prompting markets to come back above this level to \$9,472.50/t. Aluminium strengthened, breaching the robust resistance level of \$2,650/t, but struggled to break a February high, settling at \$2,668/t. Lead and zinc edged slightly higher, with the latter cautiously approaching the \$2,900/t level.

Gold edged higher, nearing record highs once again, trading just below \$2,930/oz. Silver followed, rising to \$32.65/oz. Oil prices also climbed, with WTI at \$71.3/bbl and Brent crude at \$75.3/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2645	2675	2627	2668.0	2647	18836	707640	17.34	121.04
Copper	9396	9485	9361	9472.0	9383	15293	295366	-70.85	429.65
Lead	1989	1998	1980	1996.5	1983	5382	150105	-37.99	90.56
Nickel	15500	15510	15300	15349.0	15535	5049	225318	-218.95	696.23
Tin	32740	33065	32535	32779.0	32755	993	21695	-155.00	1486.85
Zinc	2868	2896	2854	2884.0	2872	8111	223041	-40.58	130.82
					Total:	53664	1623165		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2661	2639	2700.5	2705.5	2683.37	2645	2635.916667	2624.333333
Copper	9295	9376.5	9700.88	9763.88	9321	9395.5	9242.291667	9335.583333
Lead	1952	1997	2106.43	2146.93	1956.56	1991.5	1947.333333	1985.041667
Nickel	15135	15360	16677.05078	17450.05078	15280.94	15490	15218.33333	15435.41667
Tin	32850	32975			32500	32681	31285.83333	31398.75
Zinc	2836	2881	2918.5	2879.5	2829.27	2872.5	2785.208333	2832.791667

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	555950	0	4000	-4000	551950	295325	256625	Comex, USc/lb		
Copper	253975	10625	825	9800	263775	14850	248925	MAR 25	444.4	2.08
Lead	222425	350	2000	-1650	220775	38450	182325	MAY 25	448.3	2.06
Nickel	184692	4824	0	4824	189516	10236	179280	Shanghai, CNY/mt		
Tin	3930	5	25	-20	3910	395	3515	01-Feb	75970	1.02
Zinc	161025	0	2275	-2275	158750	26100	132650	01-Mar	75910	0.80

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	22845	0.20	GBP	1.2609	-0.1267	Gold	2934.13	1.2971	2898.2	2900.55
DJI	44556	0.02	JPY	152.0500	-0.3551	Silver	32.86	1.6149		3248
S&P500	6130	0.24	EUR	1.0448	-0.3434	Gold Comex	2952.7	1.793		
SSE	3324	-0.93	CNY	7.2754	-0.1526	Platinum	985.7	0.0386		
Hg Seng	22977	1.59	AUD	0.6353	-0.0472	Palladium	985	0.9863		
Brent	76	0.81	CAD	1.4187	-0.0211					

Source: Bloomberg
Updated: 18/02/2025 17:30

All price data is from 18.02.2025 as of 17:30

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