



Authors

Viktoria Kuszak
Research Associate

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Daily Base Metals Report

Markets Digest Softer Inflation Data

Summary

- Economic data reinforced easing inflation trends, giving the Fed more flexibility on rate decisions.
- Base metals declined, with nickel leading losses.
- Gold retreated below \$2,850/oz as investors unwound positions after recent gains.

US stocks opened higher, rebounding after yesterday's declines as investors assessed fresh economic data. Personal income in January exceeded expectations, rising 0.9%, nearly double the previous month's 0.4% gain, suggesting resilient wage growth. Meanwhile, personal spending fell more than anticipated, dropping -0.2% from an upwardly revised 0.8% in December—reflecting the typical post-holiday slowdown in consumer activity. Inflation data aligned with expectations, reinforcing the idea that price pressures continue to ease. The PCE index, the Fed's preferred inflation gauge, softened to 2.5% YoY in January, down from 2.6%. Core PCE, declined to 2.6% YoY from an upwardly revised 2.9%, indicating a steady disinflation trend. With inflation gradually cooling, markets took the data as confirmation that the Fed has more flexibility to cut rates if economic conditions weaken. In response, the 10-year US Treasury yield extended its downward streak, falling to 4.2%, while the dollar index held steady at 107.3.

Base metals pulled back today, with nickel leading losses across the complex as risk sentiment deteriorated. LME nickel tumbled to \$15,455/t, giving back its recent gains as selling pressure intensified. Copper also slipped, falling to \$9,347.50/t, as the market struggled to hold above the \$9,400/t. Aluminium declined to \$2,608.50/t, retreating after its latest recovery attempt stalled, while zinc edged lower to \$2,802/t, remaining in its recent consolidation range. Meanwhile, tin dropped to \$31,520/t, cooling off after a strong run in recent weeks. Lead hovered around the \$2,000/t mark. With volatility still subdued, base metals are seeing a lack of clear directional catalysts, leaving markets in a wait-and-see mode.

Gold declined below \$2,850/oz, as a broader retreat among leveraged funds contributed to the move, with investors unwinding positions after weeks of gains. Silver followed, struggling to hold above \$31.0/oz. Oil prices also softened, with WTI at \$69.7/bbl and Brent crude at \$73.1/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
Aluminium	2633	2641	2605	2605.5	2631	18045	730654	14.00	118.16
Copper	9376	9398	9324	9358.0	9413	19719	293341	-19.50	423.73
Lead	2004	2010	1994	1992.5	2008	5578	143268	-12.00	90.67
Nickel	15785	15845	15415	15433.0	15785	6102	227302	-173.99	700.81
Tin	31685	31800	31050	31405.0	31650	875	21952	-179.00	1429.96
Zinc	2807	2815	2772	2799.0	2810	10045	225787	-31.24	126.74
					Total:	60364	1642304		

Official Prices	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2637.5	2618.5	2662.24	2662.24	2648.87	2632.5	2653.375	2640.55	
Copper	9363.5	9377	9470.5	9540.5	9381.31	9389.5	9329.25	9393.725	
Lead	1980.5	2006	2095.19	2135.69	1989.26	2007	1955.275	1990.075	
Nickel	15460	15675	16994.26	17708.26	15658.01	15832	15274.75	15480.5	
Tin	31350	31405			31569	31704	31876.25	31959.25	
Zinc	2768	2799	2843.5	2804.5	2777.76	2809	2799.7	2842.275	

LME Stocks (tonnes)	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	525425	0	4225	-4225	521200	314300	206900	Comex, US\$/lb		
Copper	263650	0	1575	-1575	262075	101850	160225	MAR 25	458	0.88
Lead	216350	450	2000	-1550	214800	31425	183375	MAY 25	461.85	0.70
Nickel	193782	1224	42	1182	194964	18120	176844	Shanghai, CNY/mt		
Tin	3675	50	0	50	3725	175	3550	01-Feb	0	0.00
Zinc	164950	0	525	-525	164425	24200	140225	01-Mar	76850	-0.04

Global Markets	Last	% Change	Currencies	Last	% Change	Precious Metals	Last	% Change	Previous Day's Fix	AM	PM
DAX	22507	-0.19	GBP	1.2589	-0.0952	Gold	2849.51	-0.9734	2891.65	2880.80	
DJI	43395	0.36	JPY	150.2600	-0.2995	Silver	31.05	-0.7325			3172.5
S&P500	5889	0.46	EUR	1.0404	0.0577	Gold Comex	2860.8	-1.212			
SSE	3321	-1.98	CNY	7.2794	0.0975	Platinum	940.54	-1.0937			
Hg Seng	22941	-3.28	AUD	0.6212	-0.3849	Palladium	923.55	0.3793			
Brent	73	-1.19	CAD	1.4426	0.0763						

Source: Bloomberg
Updated: 28/02/2025 17:30

All price data is from 28.02.2025 as of 17:30

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