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DAILY BASE METALS REPORT

# Metals Show Muted Reaction to New Tariff Threats

## Summary

- Trade tensions escalated as new US tariffs triggered retaliatory measures from key trading partners.
- Further tariff increases on China had minimal impact on the base metals market.
- A weaker dollar and geopolitical uncertainty supported gold.

US stocks opened lower, mirroring losses in European markets, as investors reacted to Trump's latest round of tariff hikes. Duties on Canadian and Mexican imports have been raised to 25%, while tariffs on Chinese goods doubled to 20%, escalating trade tensions further. In response, Beijing imposed 10% to 15% tariffs on US agricultural exports, while Canada introduced duties on \$107 billion worth of American goods. Mexico has signalled it will reveal its own countermeasures on Sunday. In Europe, the latest data showed Eurozone unemployment holding steady at a historic low of 6.2% for the fourth consecutive month, despite ongoing economic sluggishness. Investors are now turning their attention to the European Central Bank's policy decision on Thursday, with markets pricing in a 99% probability of a 25bps rate cut. The dollar weakened against major currencies, with the USDEUR pair dropping below 0.948 and the dollar index slipping below 106.0 for the first time since December. Meanwhile, the 10-year US Treasury yield continued its downward trajectory, testing the 4.1% level as markets assessed the potential economic fallout from rising trade barriers.

Despite President Trump's reaffirmation of his intent to raise tariffs on Canada, Mexico, and China—targeting aluminium and steel—the base metals markets remained relatively stable. In particular, aluminium, which stands to be most affected by these tariffs, experienced only marginal gains, maintaining a price above the \$2,600/t mark at \$2,616.50/t. This suggests that the market is uncertain about tariff implementation and its direct impact on supply chains. Furthermore, given the US dependence on copper and aluminium imports from Canada and Mexico, there remains a possibility for exemptions. Other metals showed little movement, with copper trading slightly below \$9,400/t. Nickel, on the other hand, maintained its elevated position following previous gains, staying above the \$15,800/t level.

A softer dollar and geopolitical concerns helped gold rebound above \$2,900/oz, with the metal trading at \$2,909/oz at the time of writing. Silver, however, edged lower, slipping to \$31.6/oz. Oil prices fell, with WTI at \$67.5/bbl and Brent at \$70.5/bbl, as broader market uncertainty dampened demand expectations.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2613	2626	2598	2616.5	2612	18181	714025	10.00	118.80
Copper	9385	9416	9335	9343.0	9400	17785	298242	-12.50	424.29
Lead	1993	2015	1987	2009.5	1995	5952	144032	-25.31	91.06
Nickel	15900	16060	15740	15983.0	15930	8657	221692	-198.97	723.26
Tin	31675	32145	31480	31579.0	31690	583	21677	-188.00	1433.14
Zinc	2836	2846	2807	2810.5	2838	9918	226165	-31.02	127.76
					Total:	61076	1625833		

#### Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2634	2619.5	2649.46	2666.5	2622.58	2611	2629	2616.75	2616.75
Copper	9395	9402.5	9543.99	9608.99	9394.28	9419	9377.75	9395.75	9395.75
Lead	1990	2012	2074.91	2109.91	1967.19	1992.5	1981	2003.5	2003.5
Nickel	15760	15970	17178.15	17893.15	15720.33	15893	15680	15870	15870
Tin	31810	32050			31382	31575	31592.5	31787.5	31787.5
Zinc	2798	2831	2841.74	2802.74	2810.79	2843	2802.25	2831.5	2831.5

#### LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	517150	9850	2500	7350	524500	307750	216750	Comex, USc/lb		
Copper	261050	0	50	-50	261000	102825	158175	MAR 25	458	0.88
Lead	212650	0	1175	-1175	211475	29425	182050	MAY 25	461.85	0.70
Nickel	195162	396	198	198	195360	18600	176760	Shanghai, CNY/mt		
Tin	3740	5	15	-10	3730	185	3545	01-Feb	0	0.00
Zinc	163600	0	1650	-1650	161950	25250	136700	01-Mar	76850	-0.04

#### Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	22327	-3.54	GBP	1.2732	0.2441	Gold	2915.23	0.7778	2868.25	2880.70
DJI	42503	-1.59	JPY	148.7600	0.4974	Silver	31.75	0.2048		3152.5
S&P500	5772	-1.33	EUR	1.0533	0.4386	Gold Comex	2926	0.858		
SSE	3324	0.22	CNY	7.2641	0.3235	Platinum	962.28	0.5875		
Hg Seng	22942	-0.28	AUD	0.6211	-0.2249	Palladium	944.89	0.5042		
Brent	71	-1.51	CAD	1.4519	-0.2548					

Source: Bloomberg  
Updated: 04/03/2025 17:30

All price data is from 04.03.2025 as of 17:30

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