



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

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DAILY BASE METALS REPORT

Weaker Labour data Undermines US Outlook

Summary

- Weaker US jobs data weighted on the dollar.
- Gold remained rangebound as markets continued to dismiss the inflationary impact of shifting tariff policies.
- In base metals, upside appetite is waning as markets lack further triggers to drive prices higher.

Macro

US stocks fell at the open following a weaker-than-expected February jobs report, adding to concerns about slowing economic momentum. Non-farm payrolls, a key measure of job creation, rose by just 151k, falling short of expectations, while the unemployment rate ticked up to 4.1% YoY from 4.0%. Meanwhile, in the eurozone, revised GDP data showed that the bloc's economy grew 0.2% QoQ in Q4 2024, slightly above the earlier estimate of 0.1%. However, the figures confirmed that Germany and France, the region's two largest economies, both contracted, underscoring ongoing economic fragility. The euro strengthened against the dollar, with EUR/USD rising above 1.086. The dollar index extended its losses, sliding to 103.5, where it found support—the same level it traded at just before Trump's election victory.

Base Metals

The base metals complex started this week on the front foot, reflecting broader market volatility, with a combination of a weaker dollar and China's potential decision to cut steel supply providing a fundamental boost. However, by the end of the week, the upward momentum appears to be stalling, with markets struggling to find further triggers to drive prices higher. In particular, copper rejected prices above the \$9,700/t level, falling slightly back to \$9,645/t; we expect the support at the \$9,500-\$9,600/t range to hold in the near term. Aluminium saw more modest gains, remaining above the \$2,700/t mark. Lead and zinc softened. Nickel was the only exception, posting protracted gains for the second straight day to test the \$16,500/t resistance level.

We anticipate that, in the near term, if no new fundamental triggers emerge, mean reversion strategies may come into play as markets work to digest recent announcements. As a result, the performance is likely to be more muted next week.

Precious Metals and Oil

Gold remained stuck in its tight range, trading at \$2915/oz, as markets dismissed the inflationary impact of Trump's tariff policies, given the constant reversals. Silver saw a larger decline, slipping to \$32.3/oz. Oil prices climbed, with Brent crude rising back above \$70/bbl, while WTI traded at \$67.5/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2699	2711	2676	2705.5	2703	20299	706238	14.71	122.06
Copper	9682	9708	9564	9613.5	9689	19962	302784	2.50	434.05
Lead	2035	2041	2012	2019.0	2039	6928	143362	-18.90	91.58
Nickel	16275	16580	16175	16504.0	16330	13397	225216	-212.04	744.81
Tin	32655	32655	32300	32519.0	32660	562	22220	-77.50	1474.64
Zinc	2929	2929	2873	2886.5	2926	11770	219506	-33.00	130.57
					Total:	72918	1619326		

Official Prices	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2693	2682.5	2716.5	2720.5	2708.39	2697		2662.6	2651.2
Copper	9664	9660	9671	9706	9747.77	9734		9522.9	9529.7
Lead	2005	2025	2074.5	2099.5	2029.2	2047.5		1996.6	2017.4
Nickel	16050	16270	17667.1797	18387.17969	16084.57	16298		15815	16033
Tin	32360	32560			32458	32581		31884	32033
Zinc	2850.5	2878	2906.75	2863.75	2896.9	2929		2834	2864.2

LME Stocks (tonnes)	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	515600	0	4700	-4700	510900	294650	216250	Comex, USc/lb		
Copper	259175	1625	3475	-1850	257325	108725	148600	MAR 25	477.9	0.26
Lead	207325	250	1375	-1125	206200	24625	181575	MAY 25	480.75	0.28
Nickel	199410	300	1188	-888	198522	18618	179904	Shanghai, CNY/mt		
Tin	3700	0	5	-5	3695	335	3360	01-Feb	0	0.00
Zinc	160950	0	775	-775	160175	26500	133675	01-Mar	78620	0.58

Global Markets	Currencies		Precious Metals		Previous Day's Fix					
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	23009	-1.75	GBP	1.2907	0.1941	Gold	2910.29	-0.0519	2901.65	2922.20
DJI	42220	-0.84	JPY	147.0700	0.6188	Silver	32.20	-1.3542		3243
S&P500	5685	-0.93	EUR	1.0852	0.6212	Gold Comex	2918.1	-0.290		
SSE	3373	-0.25	CNY	7.2390	0.0387	Platinum	961.9	-0.8637		
Hg Seng	24231	-0.57	AUD	0.6291	-0.6632	Palladium	944.65	-0.1142		
Brent	70	1.12	CAD	1.4418	-0.8462					

Source: Bloomberg
Updated: 07/03/2025 17:30

All price data is from 07.03.2025 as of 17:30

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