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DAILY BASE METALS REPORT

# Base Metals Investors Show Growing Indifference to Tariff News

## Summary

- Markets rattled as Trump doubles tariffs on Canadian metals, stoking recession fears.
- Despite the tariff announcement directly targeting imported aluminium, the metal's performance on the LME was underwhelming as it struggled to breach recent highs.
- Gold and silver gain amid trade war concerns and geopolitical uncertainty.

## Macro

US stocks plunged today after President Trump announced plans to double upcoming tariffs on Canadian aluminium and steel from 25% to 50%, fuelling recession fears. The move, set to take effect on Wednesday, is particularly significant as Canada supplies 52% of US aluminium imports. Higher tariffs could sharply increase production costs for US industries reliant on these materials, from automotive manufacturing to construction, potentially slowing economic growth and driving inflationary pressures. The dollar continued its decline, slipping to 103.4—below pre-election levels—while the 10-year US Treasury yield rebounded, climbing back above 4.2% to trade at 4.25%.

## Base Metals

Despite the announcement to double the tariffs on aluminium and steel from Canada from 25% to 50%, the reaction on the LME was underwhelming. Aluminium initially responded positively, but the resistance of \$2,710/t capped upside potential, leading to a closing price of \$2,703/t at the time of writing. Similarly, copper rose above the \$9,600/t mark but struggled to surpass recent highs of \$9,700/t, resulting in copper closing at \$9,662.50/t.

Moreover, trading volumes for LME copper have been smaller compared to last week, indicating that market participants are becoming somewhat indifferent to the actual tariff implementation. Even in the COMEX market, which tends to reflect speculative interest more sharply, the upside appetite for copper and aluminium has been moderate. As of now, tariff increases are likely to hurt American importers more in the short term, and with continued changes to tariff rules and their implementation, investors are not yet convinced that these measures will significantly alter the fundamental supply and demand dynamics. For the rest of the complex, moderate

upward momentum supported lead and zinc up to \$2,052/t and \$2,912.50/t, respectively. Nickel struggled above the \$16,500/t resistance once again.

## Precious Metals and Oil

Gold edged higher to \$2,916/oz, while silver saw a sharp jump to \$32.7/oz as trade war concerns and speculation over a potential Ukraine deal fuelled volatile market sentiment. Meanwhile, oil markets remained choppy, with ICE Brent hovering around the \$70/bbl mark and WTI rising to \$66.8/bbl. Uncertainty over OPEC+ strategy continues to weigh on the outlook, as Saudi Arabia's push to restore production in April has dampened investor confidence, increasing concerns over a prolonged supply glut in the second half of 2025.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2685	2711	2669	2703.0	2687	16664	711129	16.92	122.77
Copper	9513	9667	9456	9662.5	9493	17803	299793	-17.99	438.33
Lead	2040	2053	2035	2052.0	2040	5178	143801	-16.00	93.08
Nickel		16590	16355	16493.0	16405	8103	226166	-218.65	747.98
Tin	32575	33200	32455	33159.0	32690	534	22497	-82.00	1501.18
Zinc	2855	2920	2833	2912.5	2845	13260	213677	-37.10	132.13
				Total:		61542	1617063		

### Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2725	2705.5	2715.65	2720.65	2708.97	2694	2679.142857	2665.357143	
Copper	9628	9631	9524.74	9574.74	9510.04	9528.5	9541.357143	9548.5	
Lead	2029	2048	2115.15	2140.15	2029.29	2048.5	2006.285714	2026.071429	
Nickel	16295	16535	17673.16016	18393.16016	16334.67	16551	15970	16192.85714	
Tin	32825	32875			32563	32661	32120.71429	32246.42857	
Zinc	2875	2904	2881.71	2838.71	2819.4	2856.5	2838.857143	2870	

### LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	506200	0	4050	-4050	502150	286350	215800	Comex, USc/lb		
Copper	253325	100	9250	-9150	244175	107875	136300	MAR 25	477.9	0.26
Lead	204900	0	1650	-1650	203250	22275	180975	MAY 25	480.75	0.28
Nickel	197826	1482	0	1482	199308	18138	181170	Shanghai, CNY/mt		
Tin	3715	30	25	5	3720	435	3285	01-Feb	0	0.00
Zinc	160100	3600	1875	1725	161825	67125	94700	01-Mar	78620	0.58

### Global Markets

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	22329	-1.29	GBP	1.2940	0.4736	Gold	2916.91	0.9762	2902.1	2910.20
DJI	41301	-1.46	JPY	147.3100	-0.0272	Silver	32.76	2.0428		3250.5
S&P500	5558	-1.01	EUR	1.0926	0.8492	Gold Comex	2922.9	0.811		
SSE	3380	0.41	CNY	7.2295	0.4219	Platinum	979.06	1.6973		
Hg Seng	23782	-0.01	AUD	0.6285	0.1115	Palladium	948.87	0.9619		
Brent	70	0.58	CAD	1.4485	-0.3107					

Source: Bloomberg  
Updated: 11/03/2025 17:30

All price data is from 11.03.2025 as of 17:30

### Risk warning

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