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Daily Base Metals Report

US stocks opened lower today after closing near record highs in the previous session. Optimism in the tech sector remains elevated, fuelled by Nvidia's announcements of updates on upcoming products, including the much-anticipated GB10 superchip. On the macroeconomic front, the US trade deficit widened as expected in November, increasing from \$73.6 billion to \$78.2 billion. The shift reflects businesses front-loading imports due to uncertainty surrounding potential tariffs under Trump's incoming administration. In the Eurozone, headline inflation in December rose in line with expectations, climbing from 2.2% YoY to 2.4%, driven by higher energy prices. Core inflation, however, remained steady at 2.7%. Meanwhile, the unemployment rate held at 6.3%, underscoring a relatively stable labour market. Despite the uptick in inflation, forward swaps continue to price in a 25bps rate cut at the ECB's next meeting in late January.

In currency and bond markets, the dollar index remained strong, trading above the 108 level. The 10-year US Treasury yield surged, testing 4.68%.

The base metals complex edged higher as prices tested the robust support levels, suggesting a lack of selling pressure and a likely continuation of sideways price moves in the meantime. Aluminium struggled below the \$2,500/t mark as it bounced back to \$2,517.50/t; copper is testing above the \$9,000/t level. Lead and zinc remained relatively subdued, as they held their nerve at \$1,956/t and \$2,875/t, respectively. Nickel remained above \$15,000/t.

Gold rebounded modestly after yesterday's losses, trading at \$2,648/oz, while silver extended its gains, reaching \$30.20/oz. Oil prices also climbed today, buoyed by rumours of tighter supply from Russia. WTI rose to \$74.30/bbl, and Brent crude increased to \$77.10/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2491	2524	2484	2517.5	2492	22394	650557	-28.80	114.19
Copper	8976	9040	8955	9003	8966	15662	260430	-116.11	408.37
Lead	1947	1975	1935	1956	1948	6243	143491	-31.01	88.72
Nickel	15180	15440	15140	15398	15220	5782	218560	-226.52	698.45
Tin	29250	30025	29100	29944	29260	651	19969	-149.00	1358.25
Zinc	2901	2918	2868	2875	2895	12713	218424	-38.56	130.43
					Total:	63445	1511431		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2484	2513	2560.02	2579.02	2458.27	2490	2493.75	2522.5
Copper	8886	9004	9371	9466	8887.1	9003	8791.5	8902.75
Lead	1907	1940	2056.12	2121.12	1913.77	1945.5	1909.5	1941.5
Nickel	15120	15325	16790.37	17565.37	14949.06	15182	14992.5	15221.25
Tin	29550	29615			29070	29289	28912.5	29100
Zinc	2844	2885	2845.53	2765.53	2865.45	2901.5	2878.5	2912.625

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	626775	0	2500	-2500	624275	380050	244225	Comex, USc/lb		
Copper	268650	0	1500	-1500	267150	15600	251550	MAR 25	416.15	2.16
Lead	234900	0	200	-200	234700	35825	198875	MAY 25	418.8	2.12
Nickel	164280	1086	0	1086	165366	10668	154698	Shanghai, CNY/mt		
Tin	4705	0	0	0	4705	180	4525	01-Jan	74330	0.85
Zinc	229150	0	4625	-4625	224525	52675	171850	01-Feb	74420	1.03

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	20341	0.62	GBP	1.2481	-0.3115	Gold	2648.97	0.4741	2631.8	2633.35
DJI	42445	-0.61	JPY	157.8100	-0.1204	Silver	30.05	0.3071		3027
S&P500	5901	-1.25	EUR	1.0346	-0.4235	Gold Comex	2663.2	0.597		
SSE	3230	0.71	CNY	7.3280	0.0014	Platinum	952.02	1.5401		
Hg Seng	19448	-1.22	AUD	0.6231	-0.2402	Palladium	930.17	0.707		
Brent	77	1.00	CAD	1.4357	-0.1741					

Source: Bloomberg
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All price data is from 07.01.2025 as of 17:30

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