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SAT 22 FEBRUARY 2025 00:10

Daily Base Metals Report

Summary

- US Leading Index signalled economic softness, while Eurozone sentiment improved slightly.
- The dollar weakened sharply against the yen amid speculation of a potential Bank of Japan rate hike.
- Gold reached another record high, while base metals rallied, led by strong gains in aluminium and nickel.

US stocks declined at the opening as investors assessed macroeconomic developments. The US Leading Index, a composite measure that tracks key economic indicators such as employment trends, new orders, and financial conditions, declined by 0.3% in January. This continued contraction signals weakening economic momentum and raises concerns about potential headwinds for growth in the coming months. In the Eurozone, preliminary consumer confidence for February improved more than expected, rising to -13.6, suggesting a slight rebound in sentiment despite lingering economic uncertainty. The dollar depreciated against major currencies, including the euro, sterling, and yen. The decline against the yen was particularly sharp, pushing USDJPY below the 150 level after a former Bank of Japan official suggested that the central bank could raise rates as early as May if domestic political instability worsens or if President Trump's tariff policies disrupt global trade. The dollar index dropped to 106.6, while the 10-year US Treasury yield edged lower, hovering around 4.5%.

Base metals saw a strong session today, with all major contracts posting gains. LME copper climbed to \$9,563.50/t, extending its recent rally, though resistance near \$9,600/t could limit further upside. Aluminium continued its upward trend, breaking above \$2,727.50/t, supported by tightening supply conditions. Nickel surged to \$15,660/t, marking one of the day's biggest moves, as buying interest returned to the market. Tin also posted strong gains, rising 2.3% to \$33,450/t, maintaining its recent bullish momentum. Zinc edged higher to \$2,914/t, while lead did not manage to hold above \$2,000/t.

A weaker dollar supported gold, pushing it to another record high, trading above \$2,944/oz. Silver followed, rising above \$33/oz. Oil extended its rally, with WTI and Brent climbing to \$72.8/bbl and \$76.7/bbl, respectively, as supply concerns continued to underpin prices.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2726	2736	2681	2688.0	2730	20796	721722	5.11	121.79
Copper	9558	9572	9454	9559.0	9558	18397	292039	-38.50	433.19
Lead	2000	2010	1985	2008.5	2004	4458	149977	-41.00	91.13
Nickel	15615	15660	15405	15517.0	15700	5366	220171	-209.97	702.85
Tin	33440	33790	33135	33677.0	33425	768	21697	-75.00	1529.98
Zinc	2918	2940	2882	2928.0	2923	9248	229945	-34.53	132.77
Total:						59033	1635551		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	
							Cash	3M
Aluminium	2702	2694	2695.13	2702.63	2737.51	2727.5	2650.833333	2639.566667
Copper	9494	9531.5	9594.19	9626.2	9532.1	9563.5	9289.933333	9372.9
Lead	1956	1996	2095.63	2136.13	1951.5	1992.5	1948.966667	1986.6
Nickel	15300	15520	16778	17508	15453.48	15665	15230.333333	15445.66667
Tin	33450	33475			33285	33396	31637.333333	31739.66667
Zinc	2859	2892	2939.5	2900.5	2883.01	2918.5	2800.833333	2845.833333

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Ton-nage	Other Copper Markets		% Change
								Last		
Aluminium	543900	0	4000	-4000	539900	315850	224050	Comex, USc/lb		
Copper	268750	50	1050	-1000	267750	51850	215900	MAR 25	461.2	1.08
Lead	219100	1950	925	1025	220125	37275	182850	MAY 25	466.6	1.13
Nickel	192180	726	0	726	192906	10518	182388	Shanghai, CNY/mt		
Tin	3800	0	110	-110	3690	115	3575	01-Feb	0	0.00
Zinc	156275	0	2675	-2675	153600	19250	134350	01-Mar	77340	-0.05

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	22288	-0.12	GBP	1.2647	-0.1737	Gold	2938.05	-0.0316	2953.05
DJI	43809	-0.83	JPY	149.4700	0.1137	Silver	32.69	-0.82	3306
S&P500	6082	-0.59	EUR	1.0456	-0.4285	Gold Comex	2952.1	-0.135	
SSE	3379	0.85	CNY	7.2517	-0.1214	Platinum	974.63	-0.6443	
Hg Seng	23478	3.99	AUD	0.6376	-0.3750	Palladium	977.5	-0.5696	
Brent	75	-1.91	CAD	1.4195	-0.1409				

Source: Bloomberg
Updated: 21/02/2025 17:30

All price data is from 21.02.2025 as of 17:30

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