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DAILY BASE METALS REPORT

US Recession Risks Remain in Focus

Summary

- Recession concerns remain amid escalating trade war.
- Base metals were cautiously bullish today, with tin rallying more than 9.0% in a single day.
- Gold surged to record highs due to heightened geopolitical uncertainty.

Macro

US stocks opened lower as recession fears deepened, driven by the escalating trade war and renewed geopolitical tensions after Russia rejected a proposed 30-day ceasefire in Ukraine. Economic data showed producer prices remained flat in February—the first time since July 2024—suggesting easing cost pressures. However, the ongoing trade war is expected to weigh on prices in the coming months, potentially complicating the Federal Reserve's ability to cut interest rates if economic conditions worsen. While market expectations for rate cuts have increased since January, rising from just 1.5 cuts priced in for 2025, inflation risks tied to tariffs may limit the Fed's flexibility. The dollar index edged higher to 103.8, while the 10-year US Treasury yield erased its early gains, trading at 4.3%.

Base Metals

The base metals complex started the day cautiously, gauging market appetite for new highs and retesting yesterday's resistance level. A lack of both fundamental and technical triggers has made it challenging to push prices significantly higher. However, ongoing tariffs on aluminium and steel and subsequent retaliations are helping to support prices at the upper end of the trading range.

Copper tested prices above the \$9,800/t level at \$9,815/t, marking an October 2024 high, hovering just below it by the end of the day at \$9,783.50/t. Above this level, the next robust resistance level stands at \$9,890/t. Aluminium held its nerve once again, fluctuating around the \$2,700/t mark due to a lack of strong buying or selling pressure. Nickel, after reaching above \$16,700/t, declined for the first time in five days, settling near the support level of \$16,500/t. Lead and zinc continued to trade at elevated levels.

In contrast, tin saw a significant rally, surging by more than \$3,000/t in a single day and reaching highs of \$35,900/t, similar to levels last seen in July 2022. This surge was primarily driven by the production halt of one of the largest tin mines in the Republic of Congo due to domestic conflict. The magnitude of the increase can also be attributed to the traditionally lower liquidity in the tin market.

Precious Metals and Oil

Growing geopolitical tensions and renewed trade uncertainty propelled gold to a record high, with the metal surging to \$2,971/oz after breaking out of its previous range. Silver followed, climbing to \$33.7/oz. Oil prices eased slightly, with WTI at \$67.2/bbl and Brent at \$70.5/bbl.

								Spreads	Conversion	
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb	
Aluminium	2701	2708	2667	2703.0	2700	17395	731343	18.55	122.47	
Copper	9770	9838	9714	9783.5	9789	22661	297956	-32.41	442.91	
Lead	2078	2085	2065	2072.5	2083	5978	145600	-16.20	94.01	
Nickel		16700	16360	16506.0	16720	8056	226407	-217.48	747.07	
Tin	33305	36535	33270	35900.0	33280	2378	22613	76.50	1654.04	
Zinc	2934	2967	2904	2961.0	2933	12545	217240	-22.10	134.02	
				Total:		69013	1641159			
Official Prices								Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2		PD Cash	PD 3M	Cash	3M	
Aluminium	2694	2676	2726.51	2741.51		2716.72	2702.5	2687.222222	2672.722222	
Copper	9702.5	9734	9649.75	9682.75		9751.6	9770	9584.222222	9595.388889	
Lead	2050	2072	2135.6	2160.6		2068.21	2082	2017.333333	2036.833333	
Nickel	16230	16455	17690.78	18415.78		16420.07	16641	16053.33333	16279.44444	
Tin	33400	33500				33384	33422	32407.77778	32519.44444	
Zinc	2906	2932	2936	2863		2900.02	2923.5	2857.111111	2887.555556	
LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	501825	5725	4000	1725	503550	278325	225225	Comex, USc/lb		
Copper	240325	600	3725	-3125	237200	114150	123050	MAR 25	477.9 0.26	
Lead	201800	0	1750	-1750	200050	19075	180975	MAY 25	480.75 0.28	
Nickel	199686	720	432	288	199974	19608	180366	Shanghai, CNY/mt		
Tin	3550	0	50	-50	3500	205	3295	01-Feb	0 0.00	
Zinc	161375	0	1050	-1050	160325	65825	94500	01-Mar	78620 0.58	
Global Markets			Currencies			Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change		Last	% Change	AM	PM	
DAX	22567	-0.48	GBP	1.2945	-0.1389	Gold	2978.13	1.4775	2913.6	2924.80
DJI	40858	-1.19	JPY	147.6300	0.4200	Silver	33.77	1.5888		3303
S&P500	5532	-1.20	EUR	1.0866	-0.2021	Gold Comex	2991.2	1.507		
SSE	3359	-0.39	CNY	7.2431	-0.0718	Platinum	997.27	0.9372		
Hg Seng	23463	-0.58	AUD	0.6287	-0.5379	Palladium	961	0.6852		
Brent	70	-1.28	CAD	1.4428	-0.4020					
Source:	Bloomberg									
Updated:	13/03/2025 17:30									

All price data is from 13.03.2025 as of 17:30

Risk warning

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