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DAILY BASE METALS REPORT

# Markets Trade Cautiously Amid Outlook Uncertainty

## Summary

- Mixed retail sales performance has fostered a moderate appetite for equities.
- Base metals remain elevated due to ongoing dollar weakness, though the absence of a strong fundamental catalyst limits further gains.
- Gold continues to hover around the \$3,000/t mark, indicating sustained interest and support above this level.

## Macro

US stocks continued to edge higher following Friday's rebound, despite mixed consumer data. The equity markets, which have been grappling with the negative impacts of tariffs on US economic prospects, experienced a sell-off in recent days. However, today's performance shows positive signs that the pessimistic view might be fading. This is especially relevant with the upcoming Fed meeting scheduled for March 19, where no changes to the key interest rate are anticipated. More importantly, investors will closely monitor the meeting minutes in the following weeks to assess policymakers' sentiment regarding the impact of tariffs on the monetary policy outlook.

In the meantime, the retail sales figures were mixed; month-on-month sales increased by only 0.2%, which was lower than expected, and the previous month's data was also revised lower. However, the control group sales, which contribute to GDP calculations, rose by 1.0% in February, adding uncertainty to the accuracy of actual spending figures. The dollar index fell, retesting the previous support level of 103.25, as the US 10-year Treasury yield remained in the lower end of its trading range, at 4.25%.

Elsewhere, China's economic data surpassed expectations, with retail sales rising by 4.0% YoY and industrial production increasing by 5.9% YoY. Additionally, officials unveiled plans to boost the economy by raising household incomes. Other measures include efforts to stabilize the real estate market. However, recent data on new home prices revealed a 0.14% monthly decline, marking a reversal of the recovery seen in recent months.

## Base Metals

Despite the positive news from China, we believe the base metals complex remains elevated primarily due to a softer dollar. There is a lack of a strong fundamental narrative to justify why the complex should sustain these

elevated levels in the near term. Copper edged higher, hovering around the \$9,850/t mark, struggling to reach significant new highs. Lead has also strengthened, approaching a key \$2,100/t resistance level. Other metals experienced moderate selling pressure, with aluminium fluctuating around the \$2,700/t level, as nickel weakened below the \$16,500/t level. Zinc held below \$3,000/t.

## Precious Metals and Oil

Oil prices rose on the back of economic news out of China, along with rising geopolitical risks in Yemen. WTI and Brent are trading at \$67/bbl and \$71/bbl at the time of writing. Gold is hovering near the key \$3,000/oz resistance level after briefly testing it on Friday, indicating a sustained interest in higher prices.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2690	2705	2678	2687.0	2689	17607	717108	16.19	122.09
Copper	9791	9875	9776	9861.5	9793	14947	296460	-62.22	447.88
Lead	2077	2100	2076	2082.5	2069	7407	152916	-19.74	94.44
Nickel		16685	16320	16430.0	16550	6857	229423	-229.95	743.90
Tin	35115	35615	34700	35187.0	35295	601	22983	-30.00	1588.27
Zinc	2980	2991	2955	2958.0	2986	10528	225316	-25.60	134.33
Total:						57947	1644206		
Official Prices								Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2715	2694	2714	2719	2701.54	2681.5	2692.090909	2676.136364	
Copper	9748	9820	9777.87	9827.87	9731.86	9780.5	9615	9635.318182	
Lead	2075	2094	2135.2	2145.2	2050.16	2068.5	2027.090909	2046.590909	
Nickel	16310	16530	17609.5	18329.5	16250.44	16470	16112.72727	16336.36364	
Tin	35210	35105			35339	35282	32955.90909	33030	
Zinc	2948.5	2972	2932.46	2846.71	2957.02	2972.5	2875.318182	2903.772727	
LME Stocks (tonnes)								Other Copper Markets	
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	501800	0	4525	-4525	497275	269775	227500	Comex, USc/lb	
Copper	233750	150	2925	-2775	230975	107825	123150	MAR 25	477.9 0.26
Lead	204775	7200	275	6925	211700	17350	194350	MAY 25	480.75 0.28
Nickel	200580	1470	1170	300	200880	17358	183522	Shanghai, CNY/mt	
Tin	3600	70	45	25	3625	760	2865	01-Feb	0 0.00
Zinc	159500	475	1750	-1275	158225	64050	94175	01-Mar	78620 0.58
Global Markets				Currencies		Precious Metals		Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	23155	0.73	GBP	1.2993	0.4484	Gold	2997.37	0.4427	2999.85 2978.05
DJI	41760	0.65	JPY	148.8100	-0.1142	Silver	33.77	-0.087	3389.5
S&P500	5648	0.16	EUR	1.0923	0.4044	Gold Comex	3004.8	0.123	
SSE	3426	0.19	CNY	7.2267	0.1481	Platinum	1005.62	0.898	
Hg Seng	24146	0.77	AUD	0.6383	0.9330	Palladium	969	0.1602	
Brent	71	0.68	CAD	1.4286	0.5600				
Source:	Bloomberg								
Updated:	17/03/2025 17:30								

All price data is from 17.03.2025 as of 17:30

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