

Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

WED 02 APRIL 2025 00:10

DAILY BASE METALS REPORT

Markets Steady Ahead of US Reciprocal Tariff

Summary

- Markets held steady, with attention focused on reciprocal tariffs from the Trump administration.
- Aluminium and copper continued to weaken as the COMEX/LME arb tightness levels off.
- Gold remained elevated in the face of trade uncertainty.

Macro

US stocks gapped lower on the open this morning but quickly rebounded as markets struggled to breach through recent lows. Attention is focused on tomorrow's reciprocal tariff announcements from the Trump administration, which have heightened concerns about their impact on the US economy and global trade. While we do not expect tomorrow's announcements to provide detailed specifics on targeted goods, a general announcement should clarify which segments will be affected. In response to this situation, the EU has stated that it will implement a wide range of targeted measures to retaliate against the US, further adding to the uncertainty in the bilateral relationship between the two economies. As a result, the US dollar index has remained steady above 104.

In the meantime, Eurozone inflation softened in line with expectations, growing by 2.2% YoY in March vs 2.3% in February. While close to approaching the central bank target, a moderate pricing growth month-on-month prompted markets to pare back their bets for the ECB's cutting cycle for 2025, reducing the chance of an April cut to 77%.

Base Metals

Despite the looming threat of tariffs, the metals most affected by these tariffs continued to weaken. Aluminium contracted for the eighth consecutive day, dropping to \$2,507/t. Copper edged lower to \$9,693/t, as the COMEX/LME arb plateaued at around 16%. This indicates that the markets are not convinced about the severity of the tariff's impact, and the shorter tariff window is limiting further opportunities for increased shipments to the US. Likewise, zinc corrected to \$2,822/t. In contrast, tin remains an exception; it strengthened after an earthquake in Myanmar threatened the largest tin ore mine. The price of tin jumped to \$37,479/t, reaching a level not seen since August 2022.

Precious Metals and Oil

Oil futures fluctuated as markets awaited tariff announcements. Gold has also held its nerve at an all-time high at \$3,117/oz.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2542	2552	2503	2507.0	2539	28578	703243	-19.98	113.72
Copper	9719	9794	9669	9693.0	9690	21742	303022	-42.31	439.67
Lead	2013	2022	1984	1991.5	2013	8662	141875	-28.78	90.33
Nickel		16215	15920	16107.0	15945	7046	240719	-218.79	730.61
Tin	36630	37565	36220	37479.0	36550	1328	23504	264.00	1700.04
Zinc	2852	2875	2808	2822.0	2854	13147	223090	-18.32	128.01
				Total:		80503	1635453		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2499	2515	2580.2	2618.45	2517.73	2533	2499	2515	
Copper	9652	9703.5	9690.25	9730.25	9658.68	9710	9652	9703.5	
Lead	1973	2001.5	2074.57	2114.57	1984.4	2012	1973	2001.5	
Nickel	15850	16060	17201.26953	17901.26953	15698.35	15918	15850	16060	
Tin	37200	36950			36815	36645	37200	36950	
Zinc	2817	2837	2822	2739.25	2836.14	2852.5	2817	2837	

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	462450	0	3550	-3550	458900	231225	227675	Comex, USc/lb		
Copper	211375	4950	3050	1900	213275	101425	111850	MAR 25	521.6	0.64
Lead	231925	250	0	250	232175	131625	100550	MAY 25	524.3	0.62
Nickel	198720	300	0	300	199020	9168	189852	Shanghai, CNY/mt		
Tin	3050	0	0	0	3050	655	2395	01-Apr	81570	-0.97
Zinc	138200	0	1700	-1700	136500	79925	56575	01-May	81570	-1.02

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	22540	1.70	GBP	1.2927	0.0697	Gold	3106.50	-0.5465	3120.2	3115.10
DJI	42040	0.09	JPY	149.5400	0.2809	Silver	33.58	-1.4754		3405.5
S&P500	5617	0.10	EUR	1.0799	-0.1572	Gold Comex	3138.6	-0.371		
SSE	3348	0.38	CNY	7.2703	-0.1843	Platinum	985.82	-1.2016		
Hg Seng	23207	0.38	AUD	0.6272	0.4002	Palladium	988.79	-0.1928		
Brent	75	-0.24	CAD	1.4320	0.4679					

Source: Bloomberg
Updated: 01/04/2025 17:30

All price data is from 01.04.2025 as of 17:30

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).