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DAILY BASE METALS REPORT

# Wild Swings Hit Risk Assets as Uncertainty Persists

## Summary

- Stocks extended losses as markets brace for global fallout from tariffs.
- Base metals whipsawed as market stress carried over from Friday but eventually found stability later in the day.
- Gold pressured by forced selling; oil sunk on deepening recession fears.

## Macro

US stocks opened lower today, mirroring declines in Asian and European markets. The 10% blanket tariff on all imports into the US, announced by President Trump, officially took effect on Saturday. Individualised reciprocal tariff on the countries with which the US has the largest trade deficits will take effect this Wednesday. As markets grapple with the fallout, concerns over a broad-based economic slowdown are mounting, particularly as global supply chains and export-heavy industries come under pressure. Investors are closely watching for signs of strain across the real economy, with volatility remaining elevated. The 10-year US Treasury yield jumped, testing 4.2%, reflecting rising uncertainty about inflationary pressures stemming from tariffs and potential disruptions to global trade. Meanwhile, the dollar index edged higher to 103.2, supported by safe-haven flows.

## Base Metals

After last week's sell-off following tariff announcements, market sentiment remained weak. On Monday, copper experienced significant overnight volatility, dropping to \$8,000/t before rebounding to \$9,000/t and settling around the \$8,732/t level. The decline in COMEX copper was much sharper than on the LME, erasing this year's gains in just three days. This overnight volatility and ensuing market stress resulted in dramatic swings across the entire complex. However, as the day progressed, prices began to stabilise, and markets started to deleverage positions. The uncertainty brought on by this market strain appears to be more damaging than the uncertainty caused by tariffs. As a result, it is difficult to accurately gauge the future direction of prices, with speculative noise clouding the fundamental picture.

Nonetheless, we expect that copper to continue influencing overall complex sentiment this week. To gain more clarity, we turn to the fundamentals, which suggest that the \$8,800/t mark should act as a key support, as it closely aligns with the cost of production for many Chinese smelters. We anticipate this level will hold, provided there are no further retaliatory measures from the US's key trading partners.

Meanwhile, aluminium opened below the \$2,400/t mark but struggled to maintain that weakness, marking the first day of gains since March 14th. The metal closed at \$2,370.50/t. Likewise, nickel, which has remained below the psychological \$15,000/t threshold since Friday, tested the lows below \$14,000/t but struggled below it, prompting modest gains during the day to \$14,364/t. Zinc managed to hold the \$2,600/t support intact.

## Precious Metals and Oil

Gold saw another day of losses, fighting to hold above the \$3,000/oz threshold as forced selling from hedge funds to meet margin calls weighed on broader risk sentiment. Silver, however, managed to rebound, climbing back above \$30/oz, after being heavily oversold in recent sessions—mirroring the recovery in copper. Recession concerns kept oil prices at multi-year lows, with WTI at \$61.3/bbl and Brent at \$64.9/bbl, as demand expectations weaken under the pressure of escalating trade hostilities.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2363	2428	2320	2370.5	2388	61526	700500	-41.06	107.53
Copper	8550	9097	8105	8732.0	8690	70316	303157	-38.27	396.08
Lead	1901	1925	1850	1870.0	1912	15182	155117	-28.56	84.82
Nickel		14905	13865	14364.0	14640	23502	245581	-214.07	651.55
Tin	35000	35370	31630	33929.0	35005	1578	24237	233.50	1539.01
Zinc	2638	2713	2556	2614.5	2670	33119	225614	-11.61	118.59
					Total:	205223	1654206		
Official Prices								Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2350	2380	2477.65	2537.65	2346.04	2378.5	2424.2	2450.6	
Copper	8825	8870	8882	8967	8717.08	8780	9270.1	9322.1	
Lead	1863	1889	1970	2020	1873.86	1906	1921.7	1948.2	
Nickel	14360	14550	15457.51953	16132.51953	14537.2	14758	15341	15557	
Tin	34700	34125			35632	35378	36744	36422	
Zinc	2576.5	2593	2625.5	2542.75	2645.47	2657	2708.1	2723.6	
LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	456750	0	2050	-2050	454700	227025	227675	Comex, USc/lb	
Copper	210800	0	575	-575	210225	93700	116525	MAY 25	503.5 0.02
Lead	235250	1000	400	600	235850	129425	106425	JUL 25	508.1 0.00
Nickel	200400	2040	132	1908	202308	13248	189060	Shanghai, CNY/mt	
Tin	2990	0	0	0	2990	755	2235	01-Apr	79920 -0.08
Zinc	130275	0	1950	-1950	128325	69450	58875	01-May	79880 -0.03
Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	19790	-4.13	GBP	1.2726 -1.2493	Gold	2985.29 -1.7428	3090.3	3054.50	
DJI	37966	-0.91	JPY	147.9700 -0.7028	Silver	30.02 1.4727		3134	
S&P500	5062	-0.23	EUR	1.0912 -0.4016	Gold Comex	3000.5 -1.150			
SSE	3097	-7.34	CNY	7.3210 -0.5354	Platinum	918.82 -0.468			
Hg Seng	19828	-13.22	AUD	0.5988 -0.8609	Palladium	911.51 -0.7589			
Brent	64	-1.80	CAD	1.4242 -0.1615					
Source:	Bloomberg								
Updated:	07/04/2025 17:30								

All price data is from 07.04.2025 as of 17:30

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