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DAILY BASE METALS REPORT

Volatility Persists Despite Softer Inflation

Summary

- Inflation cooled more than expected, but outlook remains clouded by tariff risks
- Base metals remained elevated following a rally after yesterday's tariff reversal.
- Gold climbed as markets sought shelter from policy uncertainty

Macro

US stocks opened lower today, paring back some of Wednesday's gains that followed Trump's surprise delay to reciprocal tariffs. Inflation data came in softer than expected, with headline CPI falling from 2.8% to 2.4% YoY in March, while core inflation dropped from 3.1% to 2.8%. The decline—driven by lower fuel and used vehicle prices—marked the first monthly drop in consumer prices in nearly five years. However, markets remain cautious, as the improvement may prove short-lived. With Trump doubling down on tariffs targeting Chinese imports, the threat of renewed inflation and recessionary pressures lingers. This backdrop has led markets to increasingly price in a more aggressive rate-cutting cycle from the Fed, with expectations now leaning toward as much as 100bps of easing by year-end. Meanwhile, the 10-year US Treasury yield held firm around 4.3%, reflecting continued investor uncertainty.

Base Metals

Base metals rallied after the market settled yesterday, following the announcement that the Trump administration will pause tariffs for 90 days on most economies and reduce the tariff rate to 10% for those that were targeted with higher rates. China remains the only exception, facing a significant tariff of 125%. Despite this, the metals complex showed resilience today, maintaining its position above yesterday's highs, which indicates a moderate level of confidence that is not reflected in the equity markets. Copper fluctuated around the \$9,000/t mark, holding slightly below it to close at \$8,988/t.

The rest of the complex followed suit. Aluminium opened higher but struggled above the \$2,400/t mark, resulting in prices gaining a moderate upside to \$2,370/t. While aluminium typically tracks the movements of copper, we anticipate that its price increase will be less pronounced than that of copper due to a more abundant supply outlook bolstered by ongoing expansions in alumina capacity. Lead and zinc edged higher to \$1,892/t and \$2,641/t, respectively. Nickel jumped above the \$14,500/t resistance to \$14,798/t.

Precious Metals and Oil

Gold rose back towards record highs, trading at \$3,150/oz as safe-haven demand remained elevated amid unpredictable trade policy signals. Silver was broadly steady, hovering around the \$31.0/oz mark. Oil prices softened after Wednesday's rebound, with WTI and Brent at \$59.5/bbl and \$62.7/bbl respectively.

								Spreads	Conversion	
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb	
Aluminium	2367	2415	2351	2370.0	2357	39250	688210	-38.02	107.23	
Copper	8891	9062	8839	8988.0	8897	27935	297652	15.54	405.04	
Lead	1873	1911	1871	1892.0	1865	8393	158382	-24.24	85.55	
Nickel		14895	14405	14798.0	14420	8644	245028	-204.05	667.24	
Tin	30995	32135	30300	30658.0	30670	1892	25194	-126.00	1374.40	
Zinc	2624	2690	2606	2641.0	2620	13910	213653	-13.28	119.30	
Total:						100024	1628119			
Official Prices								Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M		
Aluminium	2343.5	2388	2489.75	2554.75	2275.46	2316	2389.4375	2421.625		
Copper	8978	8986	9058.4	9123.4	8571.37	8613	9078.4375	9125.0625		
Lead	1867	1892	1994	2044	1813.94	1841.5	1894.0625	1920.75		
Nickel	14590	14845	15867.9	16542.9	13874.98	14084	14922.5	15146.25		
Tin	31150	31000			29714	29824	34768.125	34538.75		
Zinc	2622	2639	2650.75	2582.75	2545.77	2558	2663.5625	2678		
LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	449500	0	3175	-3175	446325	196975	249350	Comex, USc/lb		
Copper	211925	0	2500	-2500	209425	89425	120000	MAY 25	503.5 0.02	
Lead	235600	7200	350	6850	242450	128325	114125	JUL 25	508.1 0.00	
Nickel	202878	942	174	768	203646	14424	189222	Shanghai, CNY/mt		
Tin	3220	15	40	-25	3195	410	2785	01-Apr	79920 -0.08	
Zinc	123150	500	1850	-1350	121800	62425	59375	01-May	79880 -0.03	
Global Markets				Currencies		Precious Metals		Previous Day's Fix		
Last	% Change			Last	% Change	Last	% Change	AM	PM	
DAX	20563	4.53	GBP	1.2940	0.9360	Gold	3163.17	2.6104	3044.7	3075.50
DJI	38926	-4.14	JPY	144.3600	2.3552	Silver	30.85	-0.617		3018
S&P500	5148	-5.66	EUR	1.1192	2.2194	Gold Comex	3180.9	3.296		
SSE	3224	1.16	CNY	7.3155	0.4210	Platinum	936.01	-0.0118		
Hg Seng	20682	2.06	AUD	0.6190	0.6013	Palladium	915.08	-0.7484		
Brent	63	-4.25	CAD	1.4000	0.5857					
Source:	Bloomberg									
Updated:	10/04/2025 17:30									

All price data is from 10.04.2025 as of 17:30

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