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Daily Base Metals Report

Summary

- Base metals weaken as macro signals remain subdued
- Oil prices continue to climb amid elevated geopolitical risk
- Gold and silver ease slightly, holding near recent ranges

Macro:

US market was closed on Thursday for the Juneteenth holiday, resulting in subdued trading across global markets. Investors continue to digest yesterday's Fed policy decision, where interest rates were held steady at 4.25%–4.50% for the fourth consecutive meeting. While the decision was widely expected, Chair Powell reaffirmed the Fed's cautious stance, noting that the central bank would wait for clearer evidence of disinflation before considering policy easing. He also downplayed the inflationary impact of Middle Eastern tensions, citing the US's reduced reliance on the region for oil supply. The dollar index edged slightly higher, trading just above the 99.0 mark.

In the UK, the Bank of England also kept rates unchanged at 4.25%, reiterating its focus on inflation risks stemming from both a weakening labour market and the potential energy cost fallout from escalating geopolitical conflict.

Base Metals:

Base metals softened across the board, as firmer dollar and low participation weighed on the complex. With US markets shut and no fresh macro catalysts, price action remained muted. Aluminium led the declines, falling to \$2,525/t and reversing earlier gains. Copper eased to \$9,619.50/t, continuing to consolidate below key resistance levels. Lead slipped marginally to \$1,989/t, while nickel extended its recent downtrend, closing at \$15,040/t. Tin remained under pressure, falling to \$32,000/t. Zinc was the only metal to hold steady, inching higher to \$2,639.50/t. Overall, the complex continues to lack direction, with low volatility, light volumes, and absent speculative flows keeping price action confined to recent ranges.

Precious Metals and Oil:

Gold edged lower to \$3,366/oz, while silver softened to \$36.40/oz. Oil prices continued to rise, supported by geopolitical tensions and tighter supply expectations. WTI climbed to \$76.60/bbl, while Brent approached \$78.00/bbl at the time of writing.

All price data is from 19.06.2025 as of 17:30

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