



## Authors

Daria Efanova  
Head of Research

Viktoria Kuszak  
Research Associate

---

TUE 24 JUNE 2025 00:10

DAILY BASE METALS REPORT

# Fed Holds Spotlight Despite Global Tensions

## Summary

- Fed cut odds rose after dovish remarks, pushing yields and the dollar lower
- The base metals complex opened this week with pockets of volatility, as copper spreads tightened significantly.
- Gold and silver gained; oil erased early gains after spiking on Middle East risk

## Macro

US equities opened higher on Monday as dovish remarks from Federal Reserve Vice Chair Jefferson helped offset renewed geopolitical concerns. Jefferson said the time to cut interest rates may be “drawing nearer,” a comment that prompted a repricing of market expectations, with the probability of a Fed rate cut by September rising to nearly 25%, up from 16% last week. The dollar index, which had firmed earlier in the session, reversed course and dropped below 98.7. The 10-year US Treasury yield fell sharply, down 9bps to 4.31%, as investors rotated into bonds. The broader backdrop remained tense following fresh US strikes on Iranian targets over the weekend, which stoked fears of oil supply disruptions and renewed inflationary pressure.

Flash PMI data painted a mixed picture globally. Japan’s manufacturing and services readings both improved, crossing into expansion territory at 50.4 and 51.5, respectively. The eurozone remained under pressure, with manufacturing stuck at 49.4 while services edged up to 50.0. UK data surprised to the upside, with manufacturing at 47.7 and services at 51.3. In the US, manufacturing held firm at 52.0, while services slipped modestly to 53.1 from 53.7 in May.

## Base Metals

The base metals complex opened this week with pockets of volatility. Copper nearby spreads tightened significantly, with cash to 3-month spread seen at \$300/t. However, the lack of futures price moves suggests a growing disconnection between the spreads and actual pricing. Copper prices remained within a narrow range of \$30/t, and market flow indicates an expectation of lower volatility in the near term.

Meanwhile, aluminium jumped higher on the open to \$2,655/t due to concerns over the potential closure of the Hormuz Strait, which could threaten supply. The price retracted back below \$2,600/t to \$2,588.50/t. We expect aluminium prices to remain stable at these levels, with little motivation to change direction quickly.

The rest of the complex was mixed. Lead and zinc edged higher to \$2,003/t and \$2,687/t, respectively. Nickel

broke through the recent support of \$14,900/t, dropping to \$14,804/t – an April low.

## Precious Metals and Oil

Lower US yields provided support to precious metals. Gold rose toward \$3,390/oz, while silver reclaimed the \$36.00/oz level, trading at \$36.30/oz at the time of writing. Oil prices opened elevated on geopolitical risk but faded into the session, with WTI and Brent last seen at \$73.10/bbl and \$76.30/bbl, respectively.

All price data is from 23.06.2025 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](http://www.sucdenfinancial.com/en/risk-warning-and-disclaimers)).