



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

THU 26 JUNE 2025 00:10

DAILY BASE METALS REPORT

Markets Gain on Fragile Ceasefire

Summary

- US equities are approaching their records as markets weigh on ceasefire in the Middle East.
- Base metals are showing signs of cautious bullish sentiment, with lead paving the way higher.
- Gold and oil prices stabilised.

Macro

US equities opened cautiously higher as all eyes remained on geopolitical developments, which have further boosted market confidence. The S&P 500 is approaching 6100, a level not seen since before Donald Trump's inauguration, and is edging closer to a record high. NATO leaders today backed a plan to increase defence spending to 5% of GDP, a move strongly supported by President Trump. The new target includes 3.5% for core defence expenditures and an additional 1.5% allocated to related investments such as infrastructure and cybersecurity. At the same time, ongoing pressures from Trump to reach a resolution in the Middle East are also helping to ease geopolitical pressures, supporting the risk-on sentiment.

This comes at a time when countries are scrambling to finalise trade deals ahead of the July 9th deadline, when the US is expected to reinstate the reciprocal tariffs first introduced during the "Liberation Day" in April. We do not anticipate that many of these deals will reach their final stages before the deadline, which could force the Trump administration to compromise by extending negotiations beyond the deadline.

From a macroeconomic perspective, markets will pay close attention to Fed Powell's testimony later today, especially after the release of softer consumer data yesterday. We expect policymakers will continue to adopt a cautious wait-and-see approach, especially as the tariff deadline draws near. The dollar index fluctuated around the 98.00 mark, as the 10-year US Treasury yield bounced back above the 4.30% mark.

Base Metals

Base metals are showing signs of cautious bullish sentiment across the complex today. Lead is paving the way, surging to \$2,040/t after breaking through a robust resistance of \$2,020/t that has capped prices since March 2025. A breach of \$2,050/t could indicate further gains, with the next significant resistance at \$2,100/t. Zinc followed suit, cautiously trading above the \$2,700/t level at \$2,704.50/t, although the resistance of \$2,730/t is holding firmly. Copper was also seen testing the \$9,700/t level, while aluminium is trading in a new \$2,550-2,600/t range.

Precious Metals and Oil

WTI and Brent oil prices stabilised today, holding above \$65/bbl and \$68/bbl, respectively, following the two-day plunge as markets evaluate the prospects of a ceasefire. Gold prices also steadied, holding above the \$3,300/oz mark, with investors weighing on developments in the Middle East and a stronger case for interest rate cuts by the Fed this year. Despite the strengthening risk-on sentiment in equities, gold's performance suggests that both speculative and institutional investors are maintaining their positions. With markets remaining cautious around the US dollar, safe-haven demand for gold persists. This suggests that markets continue to hedge against lingering uncertainty, whether from the Trump administration or broader geopolitical developments. Silver held steady at \$35.97/oz.

								Spreads	Conversion	
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb	
Aluminium	2570	2579	2556	2563.5	2568	19005	688297	-7.47	116.35	
Copper	9675	9737	9675	9712.5	9664	14099	286436	90.00	440.90	
Lead	2018	2049	2017	2032.0	2012	8429	152973	-22.00	92.01	
Nickel	14905	15085	14905	15074.0		4232	227502	-197.69	684.02	
Tin	32455	33230	32400	33193.0	32460	809	20892	15.00	1505.72	
Zinc	2688	2722	2686	2704.5	2681	11564	212201	-17.39	122.79	
					Total:	58138	1588301			
Official Prices								Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2		PD Cash	PD 3M	Cash	3M	
Aluminium	2555.5	2562.5	2614.35	2643.35		2578.07	2579	2505.361111	2506.027778	
Copper	9810	9717	9656.39	9681.39		9819.85	9669	9794.583333	9676.083333	
Lead	2020	2045	2095.75	2146.75		1994.87	2019	1965.444444	1992.583333	
Nickel	14805	15010	15948.21	16640.21		14721.61	14920	14986.94444	15192.5	
Tin	32610	32700	33129			32322	32319	32261.94444	32314.44444	
Zinc	2692	2715	2740.71	2712.71		2661.33	2681.5	2634.222222	2663.972222	
LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	339900	0	2000	-2000	337900	16100	321800	Comex, USc/lb		
Copper	94675	1725	2925	-1200	93475	37225	56250	JUL 25	484.95 0.33	
Lead	277375	0	2125	-2125	275250	70900	204350	SEP 25	490.25 0.37	
Nickel	203928	840	408	432	204360	13674	190686	Shanghai, CNY/mt		
Tin	2180	50	75	-25	2155	700	1455	01-Jul	78440 0.14	
Zinc	123450	0	575	-575	122875	33000	89875	01-Aug	78270 0.18	
Global Markets		Currencies			Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change		Last	% Change	AM	PM	
DAX	23498	-0.61	GBP	1.3637	0.1616	Gold	3327.15	0.1047	3319.5	3302.50
DJI	43020	-0.16	JPY	145.4800	-0.3712	Silver	36.04	0.3444		3606.5
S&P500	6094	0.03	EUR	1.1629	0.1723	Gold Comex	3340.7	0.204		
SSE	3456	1.04	CNY	7.1751	-0.0488	Platinum	1330.6	0.7725		
Hg Seng	24475	1.23	AUD	0.6497	0.1233	Palladium	1062.23	-0.6054		
Brent	68	1.80	CAD	1.3742	-0.1237					
Source:	Bloomberg									
Updated:	25/06/2025 17:30									

All price data is from 25.06.2025 as of 17:30

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