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DAILY BASE METALS REPORT

Dollar Drops as Equities, Metals Climb

Summary

- US GDP revision to -0.5% boosted Fed cut expectations.
- Base metals rallied, led by copper as inventory tightness manifested in widening spreads, driving prices back toward April highs.
- Gold slipped, silver held firm, oil edged higher.

Macro

US equities opened higher on Thursday, showing resilience despite confirmation of a deeper-than-expected economic contraction in Q1 2025. According to the final estimate, US GDP shrank at an annualised rate of 0.5% in Q1, down from the previously reported 0.2% decline. The revision was largely driven by a downgrade in consumer spending, now seen rising just 0.5% QoQ compared with the initial estimate of 1.2%. The weaker data reflect the growing toll of aggressive US import tariffs, which have distorted price signals and curtailed household demand. This, along with the news that President Donald Trump is thinking about replacing Fed Chair Powell ahead of schedule, has increased market expectations for monetary easing. Investors are now estimating a greater than 20% likelihood of a Fed rate cut in July and a 90% chance for September.

Labour market data pointed to an emerging trend with rising number of people choosing to stay out of the labour force longer, as continuing application for unemployment benefits rose to 1.974m, the highest since November 2021. Meanwhile, initial jobless claims dropped to 236,000. The dollar continued to retreat against major currencies, with the index dropping to 97.2 - its lowest level since early 2023. Meanwhile, US Treasury yields edged lower, with the 10-year yield slipping to 4.26%.

Base Metals

Base metals prices rallied sharply today, driven primarily by copper, which jumped above the \$9,805/t mark to \$9,899/t – a high not seen since early April. Copper spreads have widened once again, with the cash to 3-month rising to \$230/t, while the Tom-Next has reached a multi-year high of \$98/t. Ongoing shipments of material from international warehouses into US COMEX are tightening availability in other regions, intensifying stress on global supply. Indeed, the COMEX/LME arb has widened once again, surpassing \$1,500/mt, driven by continued exchange deliveries amid mounting expectations of US copper tariffs.

The rest of the complex followed suit: aluminium edged higher but remained capped by the \$2,600/t resistance. Lead and zinc both firmed, with zinc showing signs of a potential breakout. However, for a clear change toward

bullish momentum, prices must first break above the key resistance level of \$2,786/t to confirm a change in narrative. Nickel and tin strengthened to \$15,209/t and \$33,749/t, respectively.

Precious Metals and Oil

Precious metals were mixed. Gold edged slightly lower to \$3,319/oz as investor appetite tilted back toward risk assets. In contrast, silver extended its rebound, climbing above the \$36.00/oz mark and holding firm despite the stronger tone in equities. Oil prices also moved higher. At the time of writing, WTI traded at \$66.10/bbl, while Brent stood at \$68.70/bbl.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2567	2593	2564	2583.5	2567	19162	689153	-0.10	117.19
Copper	9738	9914	9730	9899.5	9727	31936	287624	319.83	449.04
Lead	2032	2050	2032	2038.5	2032	6156	151844	-21.40	92.47
Nickel	15075	15270	15070	15209.0		6588	233549	-187.94	689.88
Tin	33065	33845	33015	33749.0	33140	962	21136	96.00	1530.84
Zinc	2710	2775	2709	2768.0	2710	16153	210940	-2.28	125.56
Total:						80957	1594246		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2573.5	2575	2626.59	2654.59	2556.03	2563.5	2508.947368	2509.657895
Copper	10115	9875	9876.08	9886.08	9813.19	9712.5	9811.447368	9686.552632
Lead	2017.5	2041	2102.67	2153.67	2010.63	2032	1968.184211	1995.131579
Nickel	14960	15165	16073.66	16756.66	14876.31	15074	14985.52632	15191.05263
Tin	33400	33425	33633		33208	33193	32321.84211	32372.89474
Zinc	2736	2745	2795	2767	2687.11	2704.5	2639.578947	2668.236842

LME Stocks (tonnes)								Other Copper Markets	
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	337900	1050	2050	-1000	336900	14050	322850	Comex, USc/lb	
Copper	93475	375	775	-400	93075	36450	56625	JUL 25	484.95 0.33
Lead	275250	0	2000	-2000	273250	72175	201075	SEP 25	490.25 0.37
Nickel	204360	774	918	-144	204216	12264	191952	Shanghai, CNY/mt	
Tin	2155	0	40	-40	2115	685	1430	01-Jul	78440 0.14
Zinc	122875	0	3025	-3025	119850	30775	89075	01-Aug	78270 0.18

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	23649	0.64	GBP	1.3726	-0.0146	Gold	3323.45	-0.1343	3322.4	3318.25
DJI	43387	0.94	JPY	144.4800	-0.0415	Silver	36.69	0.09		3576.5
S&P500	6141	0.80	EUR	1.1693	-0.0684	Gold Comex	3336.8	-0.335		
SSE	3448	-0.22	CNY	7.1676	0.0907	Platinum	1435.06	0.9092		
Hg Seng	24325	-0.61	AUD	0.6548	0.0306	Palladium	1146.56	0.9207		
Brent	68	0.07	CAD	1.3642	0.0147					

Source: Bloomberg
Updated: 26/06/2025 17:30

All price data is from 26.06.2025 as of 17:30

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