

## Authors

Daria Efanova  
Head of Research

Viktoria Kuszak  
Research Associate

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DAILY BASE METALS REPORT

# Markets Weigh Brazil, Copper Tariffs

## Summary

- US equity strength benefits from gains in mining stocks.
- Base metals strengthen as copper tariffs are confirmed to take effect in a couple of weeks.
- Precious metals hold steady as markets digest tariff news.

## Macro

US stocks remained elevated as European stocks continued to rally, driven by risk-on buying in mining shares. The gains were supported by the announcement of copper tariffs, effective August 1st, along with indications that China is aiming to reduce domestic overcapacity. Additionally, the Trump administration imposed a 50% tariff on Brazilian products, causing the Brazilian real to tumble to 5.58 against the dollar. While overall sensitivity to tariffs remains moderate, specific commodities and assets from targeted countries are experiencing pockets of volatility.

From the macroeconomic perspective, initial jobless claims weakened for the fourth consecutive week, reaching a two-month low of 227,000 in the week ending July 5th, further underscoring labour market strength. Overall, the robust US economic outlook suggests the country is positioned to maintain steady interest rates in the near term. The dollar index edged higher to 97.7 and the 10-year US Treasury yield held above the 4.355 mark.

## Base Metals

On the LME, copper continued to gain momentum following President Trump's confirmation of a 50% tariff on copper imports, effective August 1st. As a result, the price difference between COMEX and LME remains wide at 27%, indicating that markets have adjusted their pricing expectations but are not yet fully convinced of the 50% rate being implemented. Companies have limited time to ship copper to US warehouses, something that typically takes 2-3 weeks. This means the arbitrage is likely to remain wide for the next couple of months unless there are changes to the tariff rate that could lead to repricing on COMEX. It is also important to monitor potential exemptions from specific countries such as Chile, Canada, and Mexico, which are responsible for 90% of copper shipments to the US, with Chile supplying 70% of these imports.

Meanwhile, copper has recovered from Tuesday's volatility, strengthening back to \$9,703/t. Aluminium bounced back above the \$2,600/t level to \$2,608/t. Lead held its nerve at \$2,040/t, and zinc strengthened to \$2,780/t.

## Precious Metals and Oil

Gold and silver remained elevated at \$3,315/oz and \$36/80/oz, respectively. Oil prices weakened as markets assessed the impact of tariffs, prompting WTI and Brent to soften to \$66/bbl and \$68/bbl, respectively.

								Spreads	Conversion	
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb	
Aluminium	2601	2620	2597	2607.5	2602	16868	672238	0.40	118.39	
Copper	9650	9744	9634	9700.5	9660	18580	280026	-0.95	440.03	
Lead	2055	2072	2036	2044.0	2059	6783	148147	-22.58	92.53	
Nickel	14995	15310	14990	15290.0		7619	233109	-198.25	693.10	
Tin	33330	33800	33330	33559.0	33250	871	19834	22.21	1520.00	
Zinc	2739	2784	2735	2777.0	2743	13414	190816	4.68	126.12	
Total:						64135	1544170			
Official Prices								Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M		
Aluminium	2609	2611	2642	2672	2595.2	2596.5	2592.375	2593.0625		
Copper	9752	9744	9768.339844	9823.339844	9652.87	9630.5	9925.1875	9857.5625		
Lead	2029	2053	2111.37	2162.37	2039.21	2056	2025	2052.5		
Nickel	15100	15255	16131.01	16818.01	14769.59	14979	15025.625	15208.125		
Tin	33800	33750	33289		33295	33283	33691.25	33655		
Zinc	2783	2778	2803.93	2775.93	2744.46	2742.5	2717.8125	2733.9375		
LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	390800	4925	0	4925	395725	8225	387500	Comex, USc/lb		
Copper	107125	975	0	975	108100	40950	67150	JUL 25	564.5 13.25	
Lead	255100	0	2725	-2725	252375	57475	194900	SEP 25	568.55 13.12	
Nickel	203562	1200	24	1176	204738	8550	196188	Shanghai, CNY/mt		
Tin	2060	55	100	-45	2015	615	1400	01-Jul	79110 -0.77	
Zinc	106700	0	1100	-1100	105600	33850	71750	01-Aug	78910 -0.72	
Global Markets			Currencies			Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change		Last	% Change	AM	PM	
DAX	24457	-0.38	GBP	1.3570	-0.1178	Gold	3317.07	0.1029	3288.05	3300.15
DJI	44699	0.54	JPY	146.4400	-0.0751	Silver	36.86	1.2864		3659
S&P500	6274	0.17	EUR	1.1689	-0.2645	Gold Comex	3326.3	0.160		
SSE	3510	0.48	CNY	7.1782	0.0348	Platinum	1361.19	0.7945		
Hg Seng	24028	0.57	AUD	0.6576	0.6274	Palladium	1147.38	3.2662		
Brent	69	-1.84	CAD	1.3675	0.0731					
Source:	Bloomberg									
Updated:	10/07/2025 17:30									

All price data is from 10.07.2025 as of 17:30

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