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DAILY BASE METALS REPORT

Base Metals Surge on China Support

Summary

- Equities softened as policy uncertainty offset strong US data.
- Base metals rallied as China announced support for industrial growth, boosting demand sentiment.
- Gold and oil edged higher; silver held firm above \$38.30/oz.

Macro

US equities declined at the opening, with the S&P 500 softening after breaking record highs yesterday. US data came in stronger than expected, with June housing starts and building permits at 1.321 million and 1.397 million, respectively. Preliminary University of Michigan consumer sentiment rose to 61.8 in July, its highest level since February, suggesting that consumer confidence remains resilient despite ongoing uncertainty surrounding Trump's fiscal and trade policies. The dollar index, which tested 98.9 on Thursday, slipped below 98.3 today, while the 10-year Treasury yield edged down to 4.43%.

In Japan, core CPI rose 3.3% YoY in June, easing from 3.7% in May, mainly due to the reinstatement of fuel subsidies. While the pace of inflation moderated, the figure still marked the 39th consecutive month above the Bank of Japan's 2% target. The focus now shifts to whether wage growth can remain resilient into next year, particularly in the face of external pressures such as US tariffs.

Base Metals

Base metals closed the week on a strong note, rallying on renewed demand optimism driven by signs of resilience from China. This shift in sentiment helped refocus market attention on fundamental demand dynamics - an area which has been overshadowed by tariff-related supply volatility so far this year. China's MIIT announced that they would promote the work plan for steady growth in key industries, including steel and non-ferrous metals. As a result, copper jumped higher but was capped by previous resistance of \$9,800/t, prompting the metals to close at \$9,778/t. Aluminium's gains were also robust, strengthening to \$2,629.50/t, just short of June high of \$2,650/t. Lead and zinc increased, with zinc exceeding the \$2,800/t resistance to \$2,818.50/t. Lead is now back above \$2,000/t.

Precious Metals and Oil

Gold edged higher to \$3,355/oz, while silver also gained, holding firm above \$38.30/oz. Oil prices climbed steadily through the session, with WTI trading at \$68.60/bbl and Brent at \$70.50/bbl at the time of writing.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2590	2639	2583	2629.5	2589	26959	664953	-0.78	119.27
Copper	9664	9799	9659	9778.5	9678	15529	266511	-53.76	443.55
Lead	1971	2014	1971	2010.0	1978	10440	136098	-24.20	91.17
Nickel	15080	15245	15045	15218.0		5596	234600	-194.43	690.28
Tin	33170	33480	33055	33445.0	33070	681	19082	44.00	1517.06
Zinc	2738	2827	2736	2818.5	2738	19731	186772	4.75	127.85
				Total:		78936	1508016		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2591.5	2596	2664.48	2694.48	2574.72	2578	2587.642857	2588.75
Copper	9667	9720.5	9900.25	9980.25	9607.79	9666.5	9783.857143	9764.107143
Lead	1978	1999.5	2079.12	2127.37	1945.15	1973	1999.892857	2029.071429
Nickel	14900	15105	16057.15	16738.15	14898.23	15096	14956.07143	15144.28571
Tin	33160	33205	33261		32981	33014	33470	33478.21429
Zinc	2780.5	2782.5	2841.23	2813.23	2733.8	2737	2718.142857	2730.357143

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	427200	3600	100	3500	430700	7700	423000	Comex, USc/lb	
Copper	122150	1150	1125	25	122175	14075	108100	JUL 25	556.2 0.25
Lead	270950	0	2550	-2550	268400	74975	193425	SEP 25	560.45 0.24
Nickel	207282	294	0	294	207576	12450	195126	Shanghai, CNY/mt	
Tin	2035	50	150	-100	1935	295	1640	01-Jul	78450 -0.29
Zinc	121475	0	2375	-2375	119100	21475	97625	01-Aug	78290 -0.31

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change		AM	PM	
DAX	24290	-0.33	GBP	1.3413	-0.0224	Gold	3348.44	0.2836	3329.3	3318.50
DJI	44333	-0.34	JPY	148.7800	-0.1344	Silver	38.16	0.0425		3775.5
S&P500	6291	-0.10	EUR	1.1619	0.1983	Gold Comex	3354.1	0.263		
SSE	3534	0.50	CNY	7.1746	0.0990	Platinum	1431.98	-2.3559		
Hg Seng	24826	1.33	AUD	0.6506	0.2774	Palladium	1256.79	-1.6842		
Brent	69	-0.45	CAD	1.3730	0.1675					

Source: Bloomberg
Updated: 18/07/2025 17:30

All price data is from 18.07.2025 as of 17:30

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