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DAILY BASE METALS REPORT

Markets Brace for Tariff Deadline

Summary

- US data firm, but dollar and yields eased.
- Base metals continued to rise following Friday's rally, but the upside was limited by technical resistance levels.
- Gold, silver, and oil edged higher.

Macro

US equities opened higher on Monday, with the Nasdaq and S&P 500 once again breaking record levels ahead of a packed earnings week featuring results from key corporates including Tesla and Alphabet. On the trade front, the EU is preparing broader retaliatory measures should ongoing negotiations with Washington fail to produce an agreement ahead of the 1 August tariff deadline. While Brussels has signalled a willingness to accept an uneven deal to break the current impasse, several member states, including Germany, are pushing for stronger leverage. Options under discussion include curbs on US services access and restrictions on public procurement bids. The dollar weakened against major peers, with the dollar index slipping below the 98.0 mark, while the 10-year US Treasury yield edged down to 4.36%.

Base Metals

Base metals started the week on the front foot, continuing the momentum from Friday's rally, which was fuelled by a reduction in selling pressure, a weakening dollar, and positive demand news from China. However, previous highs are proving to be strong resistance levels, limiting major upward movements. A breach above these levels would be crucial to gauge the appetite for further gains.

In the meantime, the markets appear to be positioned for a cautiously bullish narrative leading up to the August 1st tariff deadline. Nonetheless, there remains uncertainty regarding whether Trump will postpone the tariffs, grant exemptions, or keep the tariffs in place, which complicates long-term strategies.

Copper jumped above the \$9,800/t mark, reaching \$9,860/t. Aluminium also showed strength but struggled to maintain levels above the previous high of \$2,650/t, closing just below at \$2,646.50/t. Alumina prices continue to rise following the MIIT's announcement to phase out outdated industrial capacity, interpreted by the markets as the shutdown of less efficient alumina plants. This situation has reignited concerns about potential disruptions in bauxite supply, leading traders to adopt a cautious approach, which has further supported aluminium prices today.

Lead and zinc are facing stronger headwinds, with lead struggling above the \$2,020/t resistance level, resulting in a modest correction to \$2,014.50/t, while maintaining the support of \$2,000/t intact. Zinc tested and rejected prices above \$2,850/t resulting in moderate gains day-on-day to \$2,838.50/t. Nickel rallied to \$15,523/t.

Precious Metals and Oil

Gold advanced toward the \$3,400/oz level, boosted by a softer dollar and a drop in Treasury yields. Silver outpaced gold, climbing to test the \$39.00/oz mark, its highest level since 2010, as speculative interest intensified. Oil prices edged lower, with WTI last seen at \$67.20/bbl and Brent at \$69.10/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2635	2652	2629	2646.5	2638	20857	667286	2.18	119.91
Copper	9750	9885	9750	9860.0	9795	14659	266155	-61.00	447.50
Lead	2010	2018	1994	2014.5	2012	6840	136203	-25.97	91.20
Nickel	15245	15585	15195	15523.0		11743	234864	-205.69	703.30
Tin	33490	33850	33460	33811.0	33355	771	19073	53.00	1535.43
Zinc	2825	2876	2824	2838.5	2824	19166	183846	-1.72	128.80
					Total:	74036	1507427		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2649	2646	2678.75	2705.75	2628.72	2629.5	2591.733333	2592.566667
Copper	9773.5	9845	9900.25	9980.25	9724.74	9778.5	9783.166667	9769.5
Lead	1976.5	2004	2082	2130.25	1985.8	2010	1998.333333	2027.4
Nickel	15275	15440	16320.94	17000.94	15023.57	15218	14977.33333	15164
Tin	33775	33800	33628		33489	33445	33490.33333	33499.66667
Zinc	2846	2840	2857.16	2829.16	2823.25	2818.5	2726.666667	2737.666667

LME Stocks (tonnes)								Other Copper Markets	
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	430700	3875	150	3725	434425	7550	426875	Comex, USc/lb	
Copper	122175	1500	1600	-100	122075	12575	109500	JUL 25	556.2 0.25
Lead	268400	0	3475	-3475	264925	75475	189450	SEP 25	560.45 0.24
Nickel	207576	300	0	300	207876	12792	195084	Shanghai, CNY/mt	
Tin	1935	0	50	-50	1885	245	1640	01-Jul	78450 -0.29
Zinc	119100	325	1200	-875	118225	59900	58325	01-Aug	78290 -0.31

Global Markets			Currencies		Precious Metals		Previous Day's Fix			
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	24308	0.08	GBP	1.3493	0.5739	Gold	3398.36	1.4454	3351.6	3355.10
DJI	44568	0.51	JPY	147.2700	1.0457	Silver	38.96	2.061		3827
S&P500	6333	0.58	EUR	1.1701	0.6451	Gold Comex	3410.5	1.554		
SSE	3560	0.72	CNY	7.1682	0.0893	Platinum	1452.11	1.5938		
Hg Seng	24994	0.68	AUD	0.6531	0.3380	Palladium	1269.22	2.0191		
Brent	69	-0.43	CAD	1.3687	0.2849					

Source: Bloomberg
Updated: 21/07/2025 17:30

All price data is from 21.07.2025 as of 17:30

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