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DAILY BASE METALS REPORT

Fed Cites Inflation Risks While Holding Rates Steady

Summary

- Markets firm ahead of Fed, which has kept rates unchanged, but soft US demand behind strong GDP raises questions.
- Base metals came under increased selling pressure, driven primarily by technical selling.
- Dollar climbs while gold and silver ease.

Macro

US equity markets opened higher on Wednesday as investors awaited this evening's Fed statement. The central bank has decided to keep interest rates unchanged, citing inflation risks linked to tariff uncertainties. Forward swaps have priced out more than 10bps for future cuts this year, indicating approximately 36bps of cuts expected by the end of 2025. Meanwhile, US GDP growth exceeded expectations in Q2, expanding by 3.0% QoQ following a 0.5% contraction in Q1. However, the headline figure masked underlying softness, as much of the improvement stemmed from a sharp drop in imports rather than a genuine pickup in economic activity. Domestic demand, in contrast, registered its weakest increase in two and a half years, highlighting the uneven nature of the recovery. In the Eurozone, GDP also surprised to the upside, albeit modestly, rising 0.1% QoQ after a 0.6% gain in Q1. The dollar strengthened further against the euro, pushing the dollar index to near the 100.00 mark, while the 10-year US Treasury yield edged up to 4.37%.

Base Metals

Base metals came under intensified selling pressure today as prices broke through key psychological support levels, triggering technical weakness. Copper weakened decisively below the \$9,760/t support and breaching the next threshold at \$9,700/t to settle at \$9,698.50/t. Lead also saw a sharp retreat, slipping below the \$2,000/t level to \$1,992/t. Nickel reversed its earlier gains, falling to \$15,021/t, while zinc tested levels below \$2,800/t. Aluminium was comparatively more stable, hovering just above the \$2,600/t mark at \$2,601/t.

Later that day, the Trump administration announced the exclusion of refined copper from US tariffs, which is the most imported form of copper into the US. This decision led to a significant decline in COMEX copper futures, erasing as much as 70% in a single day, as the markets largely disregarded the impact of tariffs. This is likely to contribute to further weakness in copper prices on the LME in the near term.

Precious Metals and Oil

Gold declined to \$3,303/oz, pressured by dollar strength and pre-Fed positioning. Silver broke below the key \$38.00/oz level, slipping to \$37.60/oz. Oil prices were little changed, with WTI holding around \$69.50/bbl and Brent near \$72.50/bbl.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2608	2621	2600	2601.0	2606	14954	687730	-3.77	118.05
Copper	9794	9821	9676	9698.5	9803	15809	271139	-48.00	440.24
Lead	2019	2021	1991	1992.0	2020	5364	142798	-29.50	90.40
Nickel	15330	15330	15015	15021.0		6153	240435	-208.37	682.89
Tin	33725	33930	33245	33360.0	33620	385	19925	-7.01	1512.52
Zinc	2810	2818	2782	2785.5	2815	8764	188747	-2.69	126.55
Total:						51429	1550774		
Official Prices								Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2611	2615	2648.1	2675.6	2602.83	2605.5	2605.25	2606.136364	
Copper	9699.5	9737	9906.75	9956.75	9746.29	9798	9786.045455	9793.113636	
Lead	1976	2005.5	2081.27	2129.52	1984.7	2016.5	1997.363636	2025.363636	
Nickel	14890	15085	15808.51	16483.51	15110.38	15316	15033.40909	15223.63636	
Tin	33785	33700	33151		33703.5	33693	33734.09091	33716.36364	
Zinc	2795	2793	2793.39	2738.64	2801.08	2805	2758.386364	2766.75	
LME Stocks (tonnes)								Other Copper Markets	
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	456100	4475	225	4250	460350	14275	446075	Comex, USc/lb	
Copper	127625	9350	125	9225	136850	19375	117475	'JUL 25	577.7 -0.31
Lead	270350	6625	600	6025	276375	71300	205075	'SEP 25	580.15 -0.31
Nickel	204912	3378	198	3180	208092	9318	198774	Shanghai, CNY/mt	
Tin	1855	90	0	90	1945	580	1365	01-Jul	0 0.00
Zinc	112150	0	3100	-3100	109050	51450	57600	01-Aug	79260 -0.58
Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	24262	0.19	GBP	1.3272	-0.5917	Gold	3293.22	-1.004	3325 3316.50
DJI	44640	0.02	JPY	149.1300	-0.4493	Silver	37.64	-1.4787	3810.5
S&P500	6379	0.13	EUR	1.1466	-0.7015	Gold Comex	3347.1	-1.009	
SSE	3616	0.17	CNY	7.1951	-0.2516	Platinum	1351.97	-2.9322	
Hg Seng	25177	-1.36	AUD	0.6451	-0.9063	Palladium	1237.61	-1.244	
Brent	73	1.14	CAD	1.3815	-0.3257				
Source:	Bloomberg								
Updated:	30/07/2025 17:30								

All price data is from 30.07.2025 as of 17:30

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