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DAILY BASE METALS REPORT

Tariffs Bite, Payrolls Miss

Summary

- Fresh tariffs and a 73k payroll miss sent rate-cut odds to 85% as the dollar and yields slid.
- Eurozone inflation held at 2.0% while services prices cooled.
- Gold bounced above \$3,300/oz; base metals stayed listless, oil eased.

Macro:

US equity markets opened lower on Friday, as a fresh wave of tariffs and weaker labour market data rattled sentiment. President Trump expanded trade measures, imposing steep new levies on a range of US trade partners. Taiwan now faces a 20% tariff, India 25%, while Canada and India were hit with a higher rate of 35% and 39%, respectively. The move marked a further escalation in the administration's confrontational trade stance and stoked fears of renewed supply chain disruptions.

Adding to market jitters, US labour data disappointed. July nonfarm payrolls rose by just 73k, well below consensus expectations of 104k. Compounding the surprise, June's headline figure was sharply revised down to just 14k. The data pointed to a material cooling in labour market momentum, triggering a sharp repricing in rate expectations. Fed funds futures now price in an 85% chance of a cut in September. The dollar index reversed sharply, dropping from above 100.2 back below 99.0, while the 10-year US Treasury yield fell to 4.25%, its lowest level in nearly a month.

In the Eurozone, headline inflation remained steady at 2.0% YoY in July, in line with the ECB's target. Services inflation, a key gauge of underlying domestic price pressures, eased to 3.1%. This marked its lowest level in over three years and suggested that core inflation may be gradually losing momentum. The markets expect one more 25bps cut by the end of the year.

Base Metals

Base metals saw only limited movement despite broader macro volatility. Copper inched down to \$9,635/t, stabilising after Wednesday's sell-off. Aluminium traded around \$2566/t. Lead managed a slight uptick to \$1977/t, though upside traction was limited. Nickel clawed back a portion of recent losses, hovering just under \$15,000/t, but broader macro uncertainty kept gains in check. Zinc softened to near \$2,730 t while tin regain yesterday's losses to trade at \$33355/t.

Precious Metals and Oil

Gold rebounded as risk sentiment deteriorated and yields fell, with the metal climbing back above \$3,300/oz to trade at \$3,345/oz. Silver also firmed, testing the \$37.00/oz level. The combination of weaker data and a tumbling dollar supported renewed interest in precious metals. Oil prices slipped slightly, with WTI last seen at \$67.50/bbl

and Brent at \$69.80/bbl.

All price data is from 01.08.2025 as of 17:30

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