



## Authors

Daria Efanova  
Head of Research

Viktoria Kuszak  
Research Associate

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DAILY BASE METALS REPORT

# Soft Services, Softer Yields: Markets Watch Fed Cues

## Summary

- US ISM Services Index slipped to 50.1, fuelling concerns about economic softness after last week's weak jobs data.
- Dollar and Treasury yields fell, lifting gold near \$3,400/oz; silver climbed above \$37.80/oz.
- Base metals traded mixed in quiet conditions, with copper and aluminium inching higher, nickel slipping.

### Macro:

US equity markets opened softer on Tuesday after the latest ISM Services Index disappointed. The index fell to 50.1 in July from 50.8 in June, pointing to stagnation in the services sector. The report showed little change in new orders and a further deterioration in employment, while input prices surged at their fastest pace in nearly three years, underscoring the impact of policy uncertainty and sustained cost pressures. Coming on the heels of last week's soft labour market data, the miss added to investor concerns about slowing momentum in the US economy. The dollar index slipped to 97.8, reversing early gains, while the 10-year US Treasury yield also retreated below 4.2%. The resignation of Fed Governor Kruger further fuelled speculation that the Trump administration may soon nominate a dovish replacement. However, expectations for a September rate cut moderated slightly, with market-implied odds dipping below 90% from 97% on Monday.

### Base Metals:

LME base metals were mixed and showed little conviction. Copper firmed modestly to \$9,633/t but struggled for upside amid lacklustre macro signals. Aluminium edged up to \$2,561/t, continuing to consolidate near recent lows. Lead and zinc posted slight gains to \$1,961/t and \$2,757/t respectively, though both remain stuck in sideways trends. Tin ticked up to \$33,250/t, while nickel reversed part of Monday's advance, falling back to \$15,010/t. Overall, activity remained thin, with the summer lull capping volumes and direction.

### Precious Metals and Oil:

Gold extended its rally, rising toward the \$3,400/oz mark and last trading near \$3,390/oz, supported by falling yields and a weaker dollar. While risk sentiment remains fragile, gold continues to respect its recent range, and a breakout will likely require a more decisive dovish signal from the Fed. Silver also strengthened, climbing above \$37.80/oz. Oil prices declined, with WTI last seen at \$65.30/bbl and Brent at \$67.80/bbl.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2567	2580	2559	2562.5	2570	13633	682560	0.12	116.23
Copper	9698	9748	9627	9638.5	9709	19171	265284	-67.32	437.20
Lead	1963	1980	1958	1973.5	1964	7331	149440	-41.92	89.52
Nickel	15115	15150	14754	15024.0		5799	249888	-205.64	681.48
Tin	33265	33400	33050	33256.0	33125	255	19678	-42.00	1508.48
Zinc	2749	2783	2748	2758.0	2754	8209	190622	-13.16	125.10
	Total:					54398	1557472		

Official Prices						Monthly Avg			
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2568	2568	2627.19	2666.19	2552.62	2553	2562.666667	2561.666667	
Copper	9576.5	9643	9791.11	9879.11	9634.27	9687	9578.166667	9641.333333	
Lead	1919.5	1966	2040.73	2088.98	1911.14	1959	1924.333333	1967.833333	
Nickel	14755	14955	15797.00	16472.00	14865.26	15066	14745	14951.66667	
Tin	33150	33195	33055		33167	33206	33261.66667	33248.33333	
Zinc	2754.5	2767.5	2771.26	2716.51	2738.63	2749.5	2732.5	2744	

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage		Last	% Change
Aluminium	463725	2300	0	2300	466025	13075	452950	Comex, USc/lb		
Copper	139575	14350	75	14275	153850	12000	141850	'SEP 25	443.75	0.05
Lead	274225	0	1250	-1250	272975	71275	201700	'DEC 25	449.55	0.02
Nickel	209082	2172	0	2172	211254	15870	195384	Shanghai, CNY/mt		
Tin	1900	0	25	-25	1875	485	1390	01-Jul	0	0.00
Zinc	97000	0	4725	-4725	92275	43675	48600	01-Aug	78490	0.32

Global Markets		Currencies				Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change		Last	% Change		AM	PM
DAX	23846	0.37	GBP	1.3296	-0.0226	Gold	3380.60	0.2078	3359.05	3380.05
DJI	44112	-0.14	JPY	147.5800	0.0271	Silver	37.82	1.085		3715
S&P500	6299	-0.49	EUR	1.1575	0.0000	Gold Comex	3434.7	0.242		
SSE	3618	0.96	CNY	7.1840	-0.0432	Platinum	1322.26	-0.031		
Hg Seng	24903	0.68	AUD	0.6466	-0.1081	Palladium	1177.32	0.0765		
Brent	68	-1.59	CAD	1.3778	-0.0363					

Source: Bloomberg  
Updated: 05/08/2025 17:30

All price data is from 05.08.2025 as of 17:30

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