Sucden Financial

Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

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DAILY BASE METALS REPORT

Weak Payrolls Reinforce Fed Cut Conviction

Summary

- US payrolls stall, jobless rate climbs.
- Despite sharp dollar moves, the upside in base metals was moderate today.
- Gold breaks new records

Macro

US equities opened lower on Friday after the latest labour market report signalled a sharper slowdown in job creation. Nonfarm payrolls rose by just 22k in August, well short of expectations and down from an upwardly revised 79k in July, while the unemployment rate climbed to 4.3%, its highest level in nearly four years. The increase partly reflected more people entering the labour force, but the data confirmed that labour market conditions are weakening. With growth momentum fading, markets see a September rate cut from the Fed as all but certain. The 10-year yield fell below 4.1% and the dollar eased to 97.6 against major peers.

Base Metals

Base metals experienced a slight rebound on Friday as market appetite declined, keeping their prices within recent ranges. Although the dollar experienced a prolonged downturn, its impact on base metal prices was not proportional. This indicates that the market lacks the conviction needed to break significantly out of the current price ranges. Copper held steady above the $9,900/t mark for most of the day, closing just below it at $9,897.50/t, as aluminium rejected prices below $2,600/t to come back to $2,600.50/t. Lead held its nerve at $1,985/t. Zinc, on the other hand, is seen to be defending the recent highs, coming back above $2,850/t to $2,861/t.

Precious Metals and Oil

Falling equities and Treasury yields underpinned demand for gold, which surged to fresh record highs, approaching $3,600/oz. Silver also held firm, trading close to $40.9/oz after struggling to maintain the $41 level. Oil remained under pressure, with WTI slipping to $61.8/bbl and Brent to $65.3/bbl.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2592	2625	2590	2600.5	2590	17527	664020	1.86	117.96
Copper	9896	10008	9860	9897.5	9892	21952	288108	-68.04	448.95
Lead	1990	2004	1982	1985.0	1990	6179	156636	-43.48	90.04
Nickel	15235	15380	15185	15235.0	15260	5426	261920	-180.87	691.06
Tin	34590	34825	34235	34314.0	34425	455	21582	63.00	1556.47
Zinc	2842	2885	2837	2861.0	2838	11368	198970	22.44	129.77
					Total:	62907	1591236		

Official Prices

							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2616	2613	2652.04	2695.04	2595.01	2591.5	2613.3	2610.3
Copper	9881	9948	10086.13	10176.13	9830.84	9898	9829	9910
Lead	1954	1997	2051	2101	1940.73	1985.5	1953.6	1996.1
Nickel	15110	15280	15920.27	16575.27	15056.78	15236	15131	15314
Tin	34785	34680	34091		34653.5	34556	34942	34783
Zinc	2889.5	2865.5	2822.13	2772.38	2859.71	2843.5	2867.9	2849.2

LME Stocks (tonnes)

								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage		Last	% Change
Aluminium	479600	5075	0	5075	484675	10850	473825	Comex, USc/lb		
Copper	158375	200	625	-425	157950	15825	142125	'SEP 25	451.85	1.23
Lead	251200	0	3000	-3000	248200	52900	195300	'DEC 25	459.05	1.13
Nickel	215310	126	18	108	215418	8898	206520	Shanghai, CNY/mt		
Tin	2225	90	85	5	2230	105	2125	01-Sep	79750	0.69
Zinc	54750	0	700	-700	54050	17100	36950	01-Oct	79710	0.62

Global Markets			Currencies			Precious Metals			Previous Day's Fix	
Last	% Change			Last	% Change		Last	% Change	AM	PM
DAX	23597	-0.73	GBP	1.3510	0.5657	Gold	3586.90	1.1577	3539.45	3546.30
DJI	45401	-0.48	JPY	147.4200	0.7258	Silver	41.00	0.8071		4096.5
S&P500	6482	-0.32	EUR	1.1718	0.5923	Gold Comex	3640.4	0.934		
SSE	3813	1.24	CNY	7.1328	0.1234	Platinum	1378.97	0.138		
Hg Seng	25418	1.43	AUD	0.6557	0.5983	Palladium	1116	-0.8881		
Brent	66	-2.07	CAD	1.3827	-0.0651					

Source: Bloomberg
Updated: 05/09/2025 17:30

All price data is from 05.09.2025 as of 17:30