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DAILY BASE METALS REPORT

Gold Shines as Risk Appetite Wanes

Summary

- Fed outlook keeps traders cautious.
- Base metals soften, with aluminium catching up to copper's earlier decline.
- Precious metals continue to shine.

Macro

US equities opened mixed at the start of a week highlighted by the upcoming PCE index, which investors will scrutinise for signals on the Federal Reserve's policy path. Last week's unanimous rate cut was fully anticipated and generated little market reaction. Futures now price in about 45bps of further easing over the next two meetings, though diverging views among Fed members could inject volatility into markets. Given current economic conditions and sticky services inflation, we expect only one 25bps cut by year end. After several sessions of gains, the 10-year yield held steady near 4.13%, while the dollar index edged lower, hovering around 97.5.

Base Metals

Base metals weakened today, starting the week on a weak note as the complex struggles to find direction following last week's moves. Today's weakness comes against a softer dollar, suggesting a growing decoupling between commodity and FX trends. Copper continues to retest the crucial $10,000/t mark, but markets are rejecting prices above this level, prompting a moderate correction to $9,972.50/t. Aluminium weakened sharply, falling to $2,645/t, erasing its September gains. The move appears to be lagging copper's pullback experienced last week, and today's protracted weakness may represent a catch-up adjustment.

While zinc's prices have also eased, the market is still attempting to consolidate near recent highs, with prices hovering just below $2,900/t and holding within Friday's trading range. The cash to 3-month spread continues to tighten further into backwardation, to $50.91/t, as fundamental tightness in Europe is building and Asia flows remain healthy. Lead is cautiously drifting below the $2,000/t mark.

Precious Metals and Oil

Gold surged to fresh record highs above $3,720/oz, supported by the softer dollar and persistent central bank diversification away from dollar holdings. Silver extended its rally, breaking $43.65/oz, with renewed demand evident as backwardation returned to the EFP market, indicating tightness in physical supply. Oil prices fluctuated near recent range lows, with WTI trading around $62.4/bbl and Brent at $66.4/bbl at the time of writing.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2678	2683	2635	2645.0	2676	18743	702636	4.14	120.09
Copper	10001	10022	9951	9972.5	9997	12095	289706	-72.44	453.14
Lead	1999	2005	1992	1998.5	2003	3505	159645	-45.16	90.61
Nickel	15300	15350	15200	15213.0	15270	4062	269293	-177.45	690.37
Tin	34290	34495	33950	34017.0	34220	347	20021	-115.00	1546.99
Zinc	2896	2934	2889	2894.0	2899	10979	215584	45.99	131.45
					Total:	49731	1656885		

Official Prices / **Monthly Avg**

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash	Monthly Avg 3M
Aluminium	2667	2664	2690	2731	2676.93	2671.5	2653.625	2648.5625
Copper	9921.5	9998	10133.39	10228.39	9924.1	9989	9889.21875	9966.90625
Lead	1964	2005	2076.73	2126.73	1952.78	1996.5	1953.59375	1997.65625
Nickel	15020	15250	15869.53	16524.53	15091.6	15271	15099.0625	15281.5625
Tin	34150	34295	33887		34047.59	34172	34564.6875	34519.375
Zinc	2985	2930	2857.88	2785.88	2939.91	2889	2918.40625	2893.65625

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage
Aluminium	513900	0	0	0	513900	109225	404675
Copper	147650	100	2375	-2275	145375	12475	132900
Lead	220300	3100	1725	1375	221675	20075	201600
Nickel	228444	480	24	456	228900	7752	221148
Tin	2505	75	0	75	2580	195	2385
Zinc	47825	0	1000	-1000	46825	15450	31375

Other Copper Markets

	Last	% Change
Comex, USc/lb		
'SEP 25	448.25	-0.12
'DEC 25	455.1	-0.16
Shanghai, CNY/mt		
01-Sep	79710	-0.34
01-Oct	79730	-0.26

Global Markets

Last		% Change
DAX	23527	-0.48
DJI	46327	0.03
S&P500	6676	0.18
SSE	3829	0.22
Hg Seng	26344	-0.76
Brent	66	-0.39

Currencies

	Last	% Change
GBP	1.3519	0.3489
JPY	147.7500	0.1354
EUR	1.1790	0.3746
CNY	7.1149	0.0464
AUD	0.6596	0.0455
CAD	1.3817	-0.2316

Precious Metals

	Last	% Change
Gold	3736.59	1.3917
Silver	43.89	1.881
Gold Comex	3770.9	1.757
Platinum	1421.76	0.9515
Palladium	1184.7	2.5794

Previous Day's Fix

	AM	PM
Gold	3657.85	3663.15
Silver		4223.5

Source: Bloomberg
Updated: 22/09/2025 17:30

All price data is from 22.09.2025 as of 17:30