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THU 25 SEPTEMBER 2025 00:10

DAILY BASE METALS REPORT

Copper Surges After Supply Disruption Alert

Summary

- Fed Chair Powell offered little clarity on central bank direction, keeping the anticipated 25bps cut in October in place.
- Copper rallied, reaching May 2024 highs of \$10,340/t due to Freeport's Grasberg force majeure.
- Precious metals' rally paused, but prices are defending new support levels.

Macro

US stocks opened on a cautious note, reflecting yesterday's weakness and indicating potential near-term exhaustion. However, the recent softness has been relatively muted, suggesting this could be a temporary pause before the continuation of the upward trend, which has been supported by ongoing market hedging and increasing confidence in US companies driven by AI. Today, remarks by Fed Chair Powell did not provide much clarity on the central bank's future direction, creating uncertainty regarding expectations for a rate cut in October. At the time of writing, forward swaps are pricing in a total of 43bps in cuts by year-end, with a 92% probability of a 25bps cut in October. Policymakers are likely to maintain a traditional wait-and-see approach, waiting for additional labour and inflation data to guide their decisions ahead of the next meeting.

Across the Atlantic, major central banks appear positioned to keep rates unchanged in their upcoming meetings. ECB's Cipollone reiterated that Europe's interest rates are adequately set at the moment, citing no significant threats to inflation in either direction. This sentiment is echoed by market expectations, which indicate no rate cuts are anticipated until the end of the year. Similarly, the UK's stance supports a more hawkish narrative from the BOE in the coming months.

Despite the yield divergences between the Fed, the BOE, and the ECB, the dollar index rose following positive new home sales data, which increased to 800,000, the highest level since early 2022. This propelled the dollar index from 97.22 to 97.88, with the resistance level at 98.00 limiting any significant upside potential. The 10-year US Treasury yield also edged higher, reaching 4.13%.

Base Metals

The base metals market opened cautiously this morning. However, news of a force majeure at Freeport's Grasberg mine in Indonesia triggered a notable rally in copper prices, which, in turn, lifted the rest of the metals complex. According to Mining.com, the mine produced just under 816,500 tonnes of copper in 2024, accounting for 3.6% of global mined production. As a result, copper prices surged past the critical resistance level of

\$10,200/t, reaching \$10,336.50/t, marking a high not seen since May 2024.

The rest of the complex followed suit, albeit with more moderate gains. Aluminium edged higher, hovering around the \$2,650/t level. Lead and zinc also strengthened to \$1,995.50/t and \$2,938/t, respectively.

Precious Metals and Oil

Oil futures continued to rise following a tougher US stance on Russia amid the recent geopolitical tensions between the country and NATO. WTI and Brent strengthened to \$64.6/bbl and \$68.80/bbl, respectively. Meanwhile, precious metals experienced a pause in their rally but remained elevated, maintaining new support levels, with gold and silver currently trading at \$3,753/oz and \$44.05/oz, at the time of writing.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2643	2660	2624	2661.5	2646	20528	699132	-5.44	120.27
Copper	9980	10364	9928	10336.5	9994	48002	289561	-31.37	468.86
Lead	2000	2009	1998	1999.5	1999	5157	160130	-40.08	90.70
Nickel	15315	15445	15270	15417.0	15340	6485	270854	-178.85	699.31
Tin	34165	34505	34150	34321.0	34270	608	20159	-105.00	1556.79
Zinc	2893	2945	2875	2938.0	2890	11045	215283	59.64	133.27
						Total:	91825	1655119	
Official Prices								Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2		PD Cash	PD 3M	Cash	3M
Aluminium	2623	2625	2696.17	2733.17		2638.24	2638	2651.5	2646.777778
Copper	9862	9937	10403.72	10446.72		9901.39	9974.5	9888.305556	9965.861111
Lead	1959	2000	2076.84	2126.84		1959.87	2002	1953.416667	1997.305556
Nickel	15100	15280	16064.29	16709.29		15180.65	15354	15099.16667	15281.11111
Tin	34050	34225	34206			34204	34302	34497.77778	34471.38889
Zinc	2923.5	2878	2897.61	2807.61		2931.66	2888.5	2918.25	2891.833333
LME Stocks (tonnes)								Other Copper Markets	
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	513850	4925	1625	3300	517150	109775	407375	Comex, USc/lb	
Copper	144975	0	200	-200	144775	11775	133000	'SEP 25	457.3 0.09
Lead	219975	0	250	-250	219725	18125	201600	'DEC 25	463.2 0.10
Nickel	230454	150	18	132	230586	7734	222852	Shanghai, CNY/mt	
Tin	2575	120	0	120	2695	355	2340	01-Sep	0 0.00
Zinc	45775	0	1375	-1375	44400	13675	30725	01-Oct	79940 -0.24
Global Markets				Currencies		Precious Metals		Previous Day's Fix	
Last	% Change			Last	% Change		Last	% Change	AM PM
DAX	23667	0.23	GBP	1.3450	-0.5619	Gold	3722.26	-1.1092	3788.4 3783.80
DJI	46132	-0.35	JPY	148.8400	-0.8062	Silver	43.76	-0.5935	4432.5
S&P500	6634	-0.34	EUR	1.1737	-0.6602	Gold Comex	3754.9	-1.593	
SSE	3854	0.83	CNY	7.1319	-0.2622	Platinum	1471.38	-0.4041	
Hg Seng	26519	1.37	AUD	0.6581	-0.2728	Palladium	1207.75	-1.1095	
Brent	69	2.29	CAD	1.3904	-0.4963				
Source:	Bloomberg								
Updated:	24/09/2025 17:30								

All price data is from 24.09.2025 as of 17:30

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