Sucden Financial

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WED 01 OCTOBER 2025 00:10

DAILY BASE METALS REPORT

Markets Pare Positions as Month Closes

Summary

- Markets are pricing in the risk of a government shutdown, facing moderate volatility across risk assets.
- Base metals attempted to break above yesterday's highs, but limited buying interest kept gains in check.
- Gold's rally has paused amid month-end profit-taking, though the longer-term bias remains to the upside.

Macro

US stocks opened lower today, influenced by the increasing risk of a government shutdown, weighing on the risk-on sentiment. The US is on track for a shutdown after President Trump's recent meeting with congressional leaders ended without an agreement, effectively pausing government operations. This could also affect the release of upcoming labour figures this week, potentially introducing moderate volatility into US assets.

From a macroeconomic perspective, US consumer confidence fell to 94.2 in September, marking a five-month low due to growing concerns about job prospects and the overall economy. Despite this subdued sentiment compared to earlier this year, consumer spending has remained resilient, contributing to a balanced economic outlook.

Markets are closely watching the upcoming US labour figures to better understand the Fed's conviction regarding its planned interest rate cuts for the remainder of the year. Specifically, the ADP employment change is projected to soften moderately, decreasing to 51,000 from 54,000. Nonetheless, we believe that, given the overall resilience of US growth, as seen by a robust service sector and persistent inflation, the Fed is likely to be cautious in implementing rate cuts. Therefore, we anticipate that a 25bps cut by the end of the year is more probable. The dollar continued to weaken, dipping to 97.87, while the 10-year US Treasury yield remained steady at 4.13%.

Base Metals

Base metals opened higher this morning, aiming to reach new highs due to a weaker dollar and growing speculative interest across the market. However, the upward momentum fell short, and markets moderated slightly today. Despite today's softness, yesterday's rally provided a much-needed sentiment boost, indicating that last week's appetite for gains was not just driven by a temporary supply shock. Instead, we believe that the Grasberg's force majeure acted as a key incentive in a market already poised to break away from the rangebound conditions that have kept markets stable for the past four months.

In particular, copper, which, after a jump to $10,400/t yesterday, attempted to test this level again before softening to $10,268/t by the end of the day. Compounding this is the tightening of spreads and forwards. Additionally, the absence of Chinese market participants due to holidays could lead to increased volatility over the coming days, with market appetite appearing to be skewed to the upside. Although, the potential for significant upside may be tempered by a key resistance level of $10,500/t, which will be crucial for any sustained break above current levels.

Other metals are showing mixed performance; aluminium is holding steady at $2,680.50/t, while lead has declined to $1,988.50/t. Tin's upward movement has stalled after reaching $35,500/t yesterday, leading to a moderate correction down to $35,410/t. Currently, the market seems to be favouring purchases on any dips.

Across the Atlantic, European stocks weakened following the news that China's state-run iron ore buyer has temporarily halted purchases of any dollar-denominated cargoes from the Australian miner BHP. As a result, the price of iron ore, which had been supported above the $105/mt mark for the past couple of weeks, has dropped to $103.50/mt.

Precious Metals and Oil

Oil futures have declined as OPEC+ plans to discuss accelerating its latest round of supply increases. At the time of writing, WTI is trading at $62/bbl, while Brent is at $67/bbl. In line with other risky assets, gold's upward momentum has halted today, settling at $3,837/oz after reaching a new record high of $3,870/oz this morning as investors appear to be participating in profit-taking as the month comes to a close. Given the ongoing fiscal, political, and trade uncertainties, it is unlikely that gold's upward trend will reverse in the near term.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2670	2686	2662	2680.5	2671	14112	699876	-1.62	121.43
Copper	10431	10440	10252	10268.5	10429	21059	300467	-42.98	466.48
Lead	1998	2003	1985	1988.5	1997	5733	162245	-42.12	90.04
Nickel	15300	15315	15190	15235.0	15325	4390	263602	-183.41	690.60
Tin	35440	35500	34930	35410.0	35465	1040	21034	45.15	1603.47
Zinc	2943	2976	2906	2960.0	2937	11203	218169	55.98	133.77
					Total:	57537	1665393		

Official Prices								Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2		PD Cash	PD 3M	Cash	3M
Aluminium	2668.5	2678	2725.89	2761.89		2673.98	2679	2653.25	2650.409091
Copper	10300	10332	10306.42969	10341.42969		10384.78	10414	9952.727273	10023.20455
Lead	1957	2003	2064.58	2117.83		1949.88	1995	1954.477273	1997.977273
Nickel	15075	15270	15882.43	16522.43		15129.69	15318	15102.04545	15285
Tin	35285	35305	35125			35514.99	35490	34540	34528.18182
Zinc	3010	2951	2904.89	2804.89		2984.9	2940.5	2930	2899.409091

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage		Last	% Change
Aluminium	515600	0	2175	-2175	513425	100750	412675	Comex, USc/lb		
Copper	143900	0	500	-500	143400	9675	133725	'DEC 25	489.2	3.74
Lead	218825	1500	0	1500	220325	21550	198775	'MAR 26	495.4	3.82
Nickel	231312	0	0	0	231312	6780	224532	Shanghai, CNY/mt		
Tin	2670	80	0	80	2750	450	2300	01-Oct	83220	1.27
Zinc	41950	0	1000	-1000	40950	10325	30625	01-Nov	83260	1.45

Global Markets			Currencies			Precious Metals			Previous Day's Fix	
Last	% Change			Last	% Change		Last	% Change	AM	PM
DAX	23881	0.57	GBP	1.3454	0.1862	Gold	3845.24	0.3049	3812.85	3826.85
DJI	46287	-0.06	JPY	147.8100	0.5277	Silver	46.54	-0.8417		4695
S&P500	6658	-0.04	EUR	1.1750	0.1961	Gold Comex	3873	0.462		
SSE	3883	0.52	CNY	7.1224	0.0000	Platinum	1563.17	-2.5109		
Hg Seng	26856	0.87	AUD	0.6619	0.6386	Palladium	1252.83	-1.2742		
Brent	67	-1.22	CAD	1.3924	-0.0646					

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

All price data is from 30.09.2025 as of 17:30