



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

TUE 07 OCTOBER 2025 00:10

DAILY BASE METALS REPORT

No Letup in Precious Metals Rally

Summary

- US stocks remained elevated following a deal between OpenAI and AMD.
- Shifting political dynamics in France and Japan are creating pockets of volatility.
- The upside for base metals has stalled due to a stronger dollar, while aluminium continues to reach new highs.
- Gold and silver show no signs of giving up last week's gains, rallying higher.

Macro

US stocks opened higher following a deal between OpenAI and AMD to deploy gigawatts of AMD GPUs over several years for AI storage infrastructure. This multi-billion-dollar deal has generated optimism in the tech sector, raising revenue expectations. We believe that markets appear stretched with signs of upside fatigue, but a clear catalyst or confirmation signal is needed for a sustained reversal.

This week's macroeconomic calendar appears to be quiet; however, volatility is expected to stay elevated due to shifting political dynamics. These include the appointment of a new PM in Japan, the resignation of the French PM, and the ongoing US government shutdown, which contributes to uncertainty regarding the release of labour market figures. In particular, the surprise victory of Sanae Takaichi in the Liberal Democratic Party leadership election has introduced new dynamics, as her pro-stimulus stance and criticism of interest rate increases signal a potentially more dovish approach to BOJ policy. Market expectations for an October BOJ rate hike have diminished following Takaichi's win, currently priced in at 14bps until year-end, creating downward pressure on the yen, which weakened to 150 against the dollar on Monday.

Elsewhere, the French PM resigned today, citing inflexibility among political parties and internal conflicts that failed to form a government. French equities declined, and bond yields increased due to deteriorating expectations for public finances. EUR/USD moves were contained, holding above 1.1700, as the political instability in France did not affect the overall outlook for the eurozone.

The dollar opened higher, but it faced resistance at the 100-day moving average of 98.20, which limited its upward appetite, resulting in a moderate increase to 98.15. Meanwhile, the 10-year US Treasury yield opened significantly higher, rising to 4.14%.

Base Metals

The upside in base metals halted on Monday, as a stronger dollar capped their gains, with signs of overextension beginning to show. In particular, copper opened at elevated levels, remaining above the \$10,600/t support level, but Friday's resistance at \$10,800/t restricted further upside, leaving copper to close at \$10,654.50/t by the end of the day. Similarly, zinc remained above the robust \$3,000/t threshold, closing at \$3,007/t. Aluminium continued to reach new highs, breaking through a previous high of \$2,720/t and rising to \$2,725/t, a March high. In contrast, tin weakened, giving up Friday's gains and dropping to \$36,798/t.

Precious Metals and Oil

Oil futures opened on the front foot after the OPEC+ meeting over the weekend yielded a more modest crude output increase of 137,000 bpd. WTI and Brent trade at \$61/bbl and \$65/bbl at the time of writing.

Precious metals are showing no signs of giving up last week's gains, with gold and silver continuing to reach new highs, rallying to \$3,956/oz and \$48.70/oz, respectively. While market participants are hedging against geopolitical and fiscal uncertainties, the recent upward trend appears to be more speculative than it is based on fundamental factors. This raises the possibility of a sharp correction if indicators of a downturn emerge.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2708	2730	2695	2725.0	2702	21965	705888	-4.43	123.54
Copper	10689	10800	10608	10654.5	10700	18318	311693	-41.44	482.97
Lead	2018	2020	2002	2004.5	2016	5462	154737	-39.26	90.86
Nickel	15375	15495	15315	15482.0	15420	4239	266116	-179.41	701.94
Tin	37135	37245	36580	36798.0	37150	581	22181	16.00	1666.52
Zinc	3028	3041	3003	3007.0	3031	9198	225010	48.28	136.44
Total:						59763	1685625		

	Official Prices				Monthly Avg			
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2713	2716	2762	2792	2705.69	2709.5	2699.875	2703.625
Copper	10609.5	10636.5	10623.91016	10589.01	10690.34	10715.5	10466.25	10497.875
Lead	1968	2010	2070.24	2123.49	1984.7	2020	1974.625	2011.125
Nickel	15185	15360	16121.13	16756.13	15257.18	15433	15122.5	15306.25
Tin	36750	36650	36481		37548	37455	36706.25	36625
Zinc	3071	3020	2934.22	2829.22	3102.64	3034.5	3064.25	3001

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	509800	0	2500	-2500	507300	91575	415725	Comex, USc/lb	
Copper	140475	150	1075	-925	139550	8425	131125	'DEC 25	489.2 3.74
Lead	237500	0	0	0	237500	52525	184975	'MAR 26	495.4 3.82
Nickel	231678	0	24	-24	231654	7314	224340	Shanghai, CNY/mt	
Tin	2615	0	50	-50	2565	455	2110	01-Oct	83220 1.27
Zinc	39800	0	450	-450	39350	8900	30450	01-Nov	83260 1.45

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change		AM	PM
DAX	24378	0.00	GBP	1.3470	Gold	3948.28	1.5886	3860.7	3885.70
DJI	46632	-0.27	JPY	150.0600	Silver	48.37	0.7765		4760.5
S&P500	6743	0.40	EUR	1.1705	Gold Comex	3971.7	1.607		
SSE	3883	0.52	CNY	7.1224	Platinum	1630.67	1.588		
Hg Seng	26958	-0.67	AUD	0.6615	Palladium	1321.47	4.4764		
Brent	66	1.74	CAD	1.3950					

Source: Bloomberg
Updated: 06/10/2025 17:30

All price data is from 06.10.2025 as of 17:30

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).