Sucden Financial

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DAILY BASE METALS REPORT

Equities Pause While Gold Eyes Key Resistance

Summary

- US stock rally paused, as investors engaged in profit-taking.
- Copper led the base metals complex higher, while tin offset previous gains.
- Gold is eyeing the key $4,000/oz resistance level, as silver takes a pause.

Macro

US stocks paused their upside today on signs of upside fatigue, awaiting key remarks from the Fed speakers. Moreover, with no news on AI-driven deals, the upside seems to be moderating to suggest that US markets, especially when compared to the Eurozone, have benefited more from the AI trend than anything else. This suggests that equities might be overextended, especially if signs of no new positives on AI or potential bad news from the segment emerge, which could lead to a period of consolidation. With commodities continuing to climb, including precious and some base metals, today's pause in equities could be a sign of market profit-taking. Given the quiet US economic calendar and continued US government shutdown, the US asset momentum seems to be driven by investor appetite rather than macroeconomic fundamentals.

The US dollar jumped higher, maintaining its position above 98.00 and eyeing the key resistance of 98.60, which has kept the index subdued for the last two months. The 10-year US Treasury yield held its nerve at 4.14%.

In other regions, the yen continued to weaken, reaching the 151 level against the dollar, a low not seen since April, as markets reacted to the anticipated appointment of Sanae Takaichi as Japan's new Prime Minister.

Base Metals

Base metals have continued to scale new heights, driven by the copper momentum, which has propelled the entire complex higher. Both LME and COMEX copper prices have gained momentum, with the open interest on COMEX becoming more inflated, maintaining an elevated arbitrage between the two exchanges at $700/t. LME copper held above the support level of $10,700/t at the opening, prompting further gains to $10,761/t. Aluminium followed suit, rising to $2,741.50/t. Zinc posted more modest gains, staying above the strong support level of $3,000/t at $3,046/t. Lead remained above $2,000/t. However, tin was the only metal to weaken, falling to $36,540/t as it aimed to offset previous gains due to concerns over Indonesian mine supply.

Precious Metals and Oil

Oil futures held steady, with WTI and Brent trading at $61.50/bbl and $65.20/bbl at the time of writing.

Precious metals show no signs of easing from recent highs, with gold eyeing the key $4,000/oz resistance level as investors continue to ride the bullish trend. Silver's performance, however, has been more subdued, slipping back to around $48/oz as momentum appears to be stalling above the $48.65/oz level. As mentioned in our previous comment, we believe the recent rally in precious metals lacks a strong fundamental foundation, leaving markets vulnerable to a potential reversal if signs of upside exhaustion emerge or if positive developments arise from the US, with silver likely to experience sharper losses than gold.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2714	2745	2712	2741.5	2716	23389	711159	-2.15	124.35
Copper	10683	10792	10659	10761.0	10653	19711	319719	-36.73	488.12
Lead	2000	2017	1997	2011.0	2004	5647	152141	-39.52	91.22
Nickel	15455	15530	15425	15489.0	15460	6724	266247	-179.84	702.58
Tin	36765	36790	36345	36540.0	36675	421	22226	8.00	1657.44
Zinc	3003	3048	2994	3046.0	3005	14896	222657	67.56	138.17
					Total:	70788	1694149		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2713.5	2718	2777.82	2807.32	2720.57	2725	2702.6	2706.5
Copper	10643	10699	10694.55	10614.55	10613.06	10654.5	10501.6	10538.1
Lead	1969	2009	2082.1	2135.35	1965.24	2004.5	1973.5	2010.7
Nickel	15310	15480	16130.74	16765.74	15302.59	15482	15160	15341
Tin	36585	36575	36270		36814	36798	36682	36615
Zinc	3086	3027	2965.65	2845.65	3055.28	3007	3068.6	3006.2

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage		Last	% Change
Aluminium	507300	25	2000	-1975	505325	89575	415750	Comex, USc/lb		
Copper	139550	0	125	-125	139425	8300	131125	'DEC 25	489.2	3.74
Lead	237500	0	800	-800	236700	51725	184975	'MAR 26	495.4	3.82
Nickel	231654	0	24	-24	231630	7290	224340	Shanghai, CNY/mt		
Tin	2565	0	100	-100	2465	355	2110	01-Oct	83220	1.27
Zinc	39350	100	1250	-1150	38200	15275	22925	01-Nov	83260	1.45

Global Markets			Currencies			Precious Metals			Previous Day's Fix	
Last	% Change			Last	% Change		Last	% Change	AM	PM
DAX	24386	0.03	GBP	1.3444	-0.3040	Gold	3983.19	0.5607	3941.95	3949.45
DJI	46527	-0.36	JPY	151.4800	-0.7460	Silver	47.84	-1.3916		4856.5
S&P500	6714	-0.38	EUR	1.1673	-0.3245	Gold Comex	4006.6	0.762		
SSE	3883	0.52	CNY	7.1224	0.0000	Platinum	1616.26	-0.5011		
Hg Seng	26958	-0.67	AUD	0.6589	-0.4232	Palladium	1344.99	1.7583		
Brent	65	-0.34	CAD	1.3952	-0.0645					

Source: Bloomberg
Updated: 07/10/2025 17:30

All price data is from 07.10.2025 as of 17:30