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Daily Base Metals Report

Summary

- **Trump's softer tariff tone steadied sentiment, but markets remain hypersensitive to policy shifts.**
- **LME spreads stayed volatile, showing lingering tightness despite easing prices.**
- **Precious metals corrected as profit-taking set in.**

Macro

US equities started Friday on a cautious footing, as fresh developments in trade rhetoric and yield dynamics unsettled momentum. President Trump signalled that the aggressive 100% tariffs on China may not be permanent, helping to ease some tension around the trade horizon. Meanwhile, the dollar strengthened, pushing the index above 98.5, and the 10-year Treasury yield rebounded after dipping below 4.0%, recovering towards established resistance. The more hawkish pricing in yields and dollar strength point to a fragile market mood that is highly sensitive to policy and geopolitical surprises.

Eurozone inflation held at 2.2% in the region's final print, underscoring the ECB's incentive to maintain a steady stance in the near term.

Base Metals

Spreads remained the key focus across the LME complex as volatility persisted into the week's close. In copper, the cash-to-3-month spread widened close to \$26/t, signalling a partial return of nearby tightness, while the 3-month price eased below \$10,580/t after briefly testing resistance near \$10,700/t earlier in the session. Aluminium spreads also widened, moving to \$18/t, with the 3-month price consolidating around \$2,770/t. Zinc's cash-to-3-month premium narrowed to \$116/t, coinciding with a retreat in the 3-month contract to around \$2,930/t, suggesting a modest easing in nearby tightness following the recent spike.

Precious Metals and Oil

Precious metals saw a sharp correction as investors moved to lock in profits following recent record-breaking gains. Gold retreated from its intraday high above \$4,375/oz to trade below \$4,250/oz, while silver slid from near \$54.5/oz to around \$52/oz. The move reflects a cooling of speculative positioning amid firmer dollar sentiment and stabilising Treasury yields. With the Fed's next policy signal still uncertain and risk appetite improving slightly, some short-term rotation out of safe havens appears likely. Oil prices also weakened, with WTI slipping below \$57.3/bbl and Brent around \$60.9/bbl, as soft demand signals and broader macro caution weighed on the energy complex.

								Spreads	Conversion
	Open	High	Low	5pm Close	PDC	Volume	Total O.I	C-3M	USc/lb
Aluminium	2795	2799	2742	2777.5	2779	26258	731025	12.88	125.99
Copper	10610	10650	10430	10604.5	10607	26116	322296	-16.83	481.02
Lead	1970	1987	1967	1970.0	1972	6275	155573	-41.85	89.36
Nickel	15275	15290	15080	15126.0	15110	6863	262694	-202.14	686.11
Tin	35760	35830	34450	35035.0	35030	1002	21799	-142.00	1589.27
Zinc	2963	2972	2914	2933.5	2943	11620	224271	136.85	133.06
Total:						78134	1717658		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2789.5	2776	2808.65	2841.65	2790.38	2777.5	2744.192308	2739.846154
Copper	10527.5	10570	10503.73047	10333.74	10587.67	10604.5	10599.19231	10623.11538
Lead	1936	1977	2055.87	2111.87	1928.15	1970	1963.730769	2002.346154
Nickel	14930	15130	15744.96	16389.96	14923.86	15126	15107.30769	15284.23077
Tin	35075	35125	34856		34895	35037	36188.46154	36198.07692
Zinc	3080	2948	2874.5	2754.5	3070.35	2933.5	3089.115385	2995.576923

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	495325	0	4100	-4100	491225	85575	405650	Comex, USc/lb	
Copper	137450	0	225	-225	137225	7825	129400	'DEC 25	496.95 -0.59
Lead	252000	0	1600	-1600	250400	154750	95650	'MAR 26	503.85 -0.59
Nickel	250344	240	54	186	250530	6168	244362	Shanghai, CNY/mt	
Tin	2575	215	55	160	2735	230	2505	01-Oct	0 0.00
Zinc	38300	25	300	-275	38025	13600	24425	01-Nov	0 0.00

Global Markets		Currencies		Precious Metals		Previous Day's Fix	
Last	% Change	Last	% Change	Last	% Change	AM	PM
DAX	23831	-1.82	GBP	1.3427	-0.0521	Gold	4251.82 -1.7279
DJI	46191	0.52	JPY	150.6100	-0.1195	Silver	51.92 -4.2769
S&P500	6664	0.53	EUR	1.1655	-0.2738	Gold Comex	4213.3 -2.121
SSE	3840	-1.95	CNY	7.1270	-0.0337	Platinum	1619.52 -5.7536
Hg Seng	25247	-2.48	AUD	0.6499	0.2159	Palladium	1464.35 -9.7584
Brent	61	0.38	CAD	1.4020	0.2425		

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

All price data is from 17.10.2025 as of 17:30

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