Sucden Financial

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Daily Base Metals Report

Summary

- China data confirmed fading momentum and weak consumer demand.
- Base metals started Monday firmer, supported by a more accommodative US stance in trade talks.
- Gold up on safe-haven flows while silver lags behind.

Macro

US stocks opened higher on Monday, supported by positive corporate earnings momentum. Key companies begin reporting this week, raising hopes of upbeat earnings surprises even as the US government shutdown, now stretching into its third week, continues to cloud the data horizon. Firms such as Tesla, Netflix and Procter & Gamble are set to publish their Q3 figures. The dollar index hovered around 98.5, while the 10-year Treasury yield slipped just below 4.0%, reflecting a cautious bid for safety following softer Chinese growth figures and expectations that slower global momentum will keep pressure on long-term yields.

China's Q3 data confirmed that the effects of past stimuli have yet to gain meaningful traction. GDP expanded by 4.8% YoY, down from 5.2% in Q2, while quarterly growth of 1.1% only marginally beat expectations. Industrial output rose 6.5% in September, but consumer spending remained subdued with retail sales up just 3.0%, and fixed-asset investment still contracting by 0.5%. The muted response to policy easing is not entirely surprising: after decades of rapid expansion, China's economy has matured, making it increasingly difficult for growth to match past rates. Structural challenges, ranging from a prolonged property slump to weak household confidence and trade frictions continue to weigh on momentum. While Beijing is likely to introduce additional targeted support in the coming months, the broader message is clear: China is entering a slower, more mature phase of expansion. The old investment-driven model is losing momentum, yet the hoped-for transition to stronger consumer-led growth has not materialised, leaving the economy reliant on policy support and external demand to sustain activity.

Base Metals

Base metals opened on an optimistic note today, as last week's spread tightness unwound, giving more room for macroeconomic sentiment to guide the appetite. In particular, President Trump softened his tone on China, listing his demand, suggesting a more accommodative stance between two nations. We believe that another truce extension or partial deals could be achieved in the coming days, easing some of the trade risks. However, it is important to be mindful of the ever-changing rhetoric, as markets continue to react sensitively to developments in trade negotiations.

In the meantime, copper defended the $10,600/t support level, gaining momentum to $10,700/t as aluminium remained elevated at $2,778/t. Zinc jumped back above the $2,950/t mark, indicating that the recently-formed support $2,910/t is holding firm, especially as the spreads remain backwardated. Lead jumped higher, erasing losses made by the end of last week and coming back to $1,988/t. Nickel held within recent ranges, trading at $15,225/t at the time of writing.

Precious Metals and Oil

Gold recovered from its recent retreat, climbing toward $4,320/oz, while silver edged up to around $52.2/oz after lagging its yellow-metal counterpart. The divergent paths highlight heightened structural demand for gold as a safe-haven, whereas silver appears more speculative and less anchored in industrial fundamentals. Meanwhile, oil prices sank to their lowest levels since May, with WTI touching approximately $56.5/bbl and Brent trading just below $60.6/bbl.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2778	2788	2761	2776.5	2779	14341	734268	7.00	125.90
Copper	10600	10734	10592	10691.5	10607	15804	320509	-20.00	485.08
Lead	1973	1994	1972	1988.5	1972	6101	154140	-41.85	90.27
Nickel	15120	15235	15100	15222.0	15110	4289	262880	-204.88	690.83
Tin	35195	35355	34865	35304.0	35030	494	21556	-112.00	1603.24
Zinc	2938	2983	2935	2978.5	2943	8661	224213	136.85	135.13
					Total:	49690	1717566		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash	Monthly Avg 3M
Aluminium	2773	2766	2808.65	2841.65	2790.38	2777.5	2746.25	2741.714286
Copper	10581	10615	10503.73047	10333.74	10587.67	10604.5	10597.89286	10622.53571
Lead	1938	1980.5	2055.87	2111.87	1928.15	1970	1961.892857	2000.785714
Nickel	14925	15125	15821.00	16451.00	14923.86	15126	15094.28571	15272.85714
Tin	34775	34925	35103		34895	35037	36087.5	36107.14286
Zinc	3159	2946	2874.5	2754.5	3070.35	2933.5	3094.107143	2992.035714

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage
Aluminium	491225	0	4100	-4100	487125	81475	405650
Copper	137225	50	100	-50	137175	7825	129350
Lead	250400	0	3100	-3100	247300	170850	76450
Nickel	250530	0	54	-54	250476	6120	244356
Tin	2735	50	50	0	2735	180	2555
Zinc	38025	0	700	-700	37325	12900	24425

Other Copper Markets

	Last	% Change
Comex, USc/lb		
'DEC 25	496.95	-0.59
'MAR 26	503.85	-0.59
Shanghai, CNY/mt		
01-Oct	0	0.00
01-Nov	0	0.00

Global Markets	Last	% Change	Currencies	Last	% Change	Precious Metals	Last	% Change	Previous Day's Fix AM	Previous Day's Fix PM
DAX	24259	1.80	GBP	1.3422	-0.0372	Gold	4350.55	2.3221	4338.25	4224.75
DJI	46590	0.86	JPY	150.5800	0.0199	Silver	52.59	1.2895		5410
S&P500	6731	1.01	EUR	1.1656	0.0086	Gold Comex	4366.7	3.641		
SSE	3864	0.63	CNY	7.1200	0.0983	Platinum	1649.06	1.6953		
Hg Seng	25859	2.42	AUD	0.6520	0.3231	Palladium	1511.91	3.2479		
Brent	60	-1.35	CAD	1.4031	-0.0784					

Source: Bloomberg
Updated: 20/10/2025 17:30

All price data is from 20.10.2025 as of 17:30
