

Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Research Associate

TUE 04 NOVEMBER 2025 00:10

DAILY BASE METALS REPORT

Capital Rotates to Aluminium as Copper Fades

Summary

- US stocks failed to post new highs, as AI-related deals did little to lift overall risk sentiment.
- As copper's recent shine fades, aluminium and zinc emerge as key alternatives for capital rotation.
- Gold and silver stabilised despite news of China ending tax rebates, suggesting precious metals are establishing new support levels.

Macro

US stocks gapped higher on Monday, largely driven by Amazon's deal with OpenAI, which boosted early-morning market sentiment that AI tailwinds have supported. However, declines in other sectors quickly reversed this optimistic sentiment, pushing the S&P 500 back to Friday's closing level of 6,850. This suggests that the gains driven by AI are starting to lose significance, especially as earnings season comes to a close. With indices remaining at record highs, technical resistance appears to be forming at these levels as equity valuations once again approach stretched territory.

With the US government shutdown now entering its second month, markets are likely to draw macroeconomic insights from private sector data and PMIs regarding the Fed's December decision. However, we do not anticipate significant changes in cut expectations, as policymakers do not typically use this data to inform their decisions.

Base Metals

As the copper shine began to fade last week, markets shifted their focus to aluminium, which attempted to break above the \$2,900/t mark once again today, closing at \$2,902/t. The easing of tariff tensions between China and the US, along with the impending production cap in China, is providing stronger support for the metal. However, we attribute much of today's strength to a rotation of investor exposure within the base metals complex, with capital moving into copper's close substitutes. A combination of these factors suggests that aluminium may reattempt to breach the \$2,900/t resistance level. However, a sustained move above \$3,000/t would likely require a meaningful improvement in physical demand - something we do not expect in the near term.

Elsewhere, zinc spreads remain tight in backwardation, which is set to keep prices elevated. Zinc has jumped higher to test the key \$3,100/t resistance, closing at this level. Lead has also increased, strengthening to \$2,027/t.

Precious Metals and Oil

Gold opened lower this morning after China ended a tax rebate for some retailers who sell gold they purchased from Chinese exchanges. Gold has subsequently bounced back, stabilising around the \$4,000/oz level. This indicates that precious metals are establishing new support after the recent unwinding of speculative positions. Silver hovered around the \$48.50/oz mark.

Oil futures jumped higher at the market open following the announcement that OPEC+ is planning to pause its output increases in Q1 2026. However, prices later stabilised, with WTI and Brent ending the trading session close to \$61.30/bbl and \$65.00/bbl, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads		Conversion
								C-3M	USc/lb	
Aluminium	2888	2920	2881	2902.0	2888	24300	752825	-4.14		131.84
Copper	10902	10928	10823	10855.0	10892	15136	324072	-25.70		492.29
Lead	2019	2031	2018	2027.0	2025	6681	150129	-28.32		91.94
Nickel	15240	15295	15125	15142.0	15250	5898	263510	-211.50		686.52
Tin	36010	36308	35865	36047.0	36180	441	21641	74.00		1632.95
Zinc	3055	3105	3050	3100.0	3050	10600	223429	130.71		140.77
Total:						63056	1735606			

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2903	2907	2919.51	2931.51	2878.55	2884	2903	2907
Copper	10872.5	10888	10790.33984	10689.85	10873.06	10887.5	10872.5	10888
Lead	1995	2028	2106.84	2166.84	1990.52	2017	1995	2028
Nickel	14970	15180	15724.25	16334.25	15021.16	15226	14970	15180
Tin	36355	36325	35844		36126	36086	36355	36325
Zinc	3190	3087	3040.5	2910.5	3141.07	3055.5	3190	3087

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	558050	0	3475	-3475	554575	47625	506950	Comex, USc/lb	
Copper	134625	1250	2275	-1025	133600	11125	122475	DEC 25	508.9 -0.29
Lead	220300	0	3500	-3500	216800	114850	101950	MAR 26	515.7 -0.34
Nickel	252102	648	0	648	252750	6426	246324	Shanghai, CNY/mt	
Tin	2875	0	25	-25	2850	100	2750	01-Nov	86980 -0.30
Zinc	35300	225	1700	-1475	33825	4225	29600	01-Dec	87080 -0.15

Global Markets		Currencies		Precious Metals		Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM PM
DAX	24132	0.73	GBP	1.3149 -0.0228	Gold	4007.35 0.1107	4013.2 4011.50
DJI	47426	-0.29	JPY	154.1100 -0.0779	Silver	48.41 -0.581	4896
S&P500	6851	0.16	EUR	1.1534 -0.0260	Gold Comex	4019.1 0.565	
SSE	3977	0.55	CNY	7.1223 -0.0407	Platinum	1581.91 0.4879	
Hg Seng	26158	0.97	AUD	0.6540 -0.0764	Palladium	1439.66 0.0737	
Brent	65	0.40	CAD	1.4050 -0.2847			

Source: Bloomberg
Updated: 03/11/2025 17:30

All price data is from 03.11.2025 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).