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DAILY BASE METALS REPORT

Markets Brace for Data and Tech Volatility as Policy Signals Shift

Summary

- Softer UK inflation data tomorrow should reinforce the divergence between the Fed and BoE policy paths into year-end.
- Broad risk-off sentiment across equities aided the continuation of base metals' softness.
- Precious metals remain highly data-sensitive this week, with both gold and silver tracking shifts in rate expectations rather than independent fundamentals.

Macro

US equities opened lower as investors positioned cautiously ahead of Wednesday's highly anticipated Nvidia Q3 results. With its substantial index influence, the outcome is widely seen as a potential volatility catalyst for the broader market. Investors are not simply looking for another strong quarter but instead for convincing evidence that the AI-driven earnings cycle can sustain momentum well into 2026. We expect it will become increasingly difficult for Nvidia to maintain the rapid pace of recent growth, and even a slight softening in guidance could weigh on the broader tech sector in the near term. That said, we also expect any initial weakness to be met with renewed buying interest, as the structural AI theme remains a dominant driver of medium-term equity market performance.

The US 10-year Treasury yield drifted lower towards 4.1%, while the dollar index held around 99.5 after strengthening late last week as markets partially reversed expectations of a December Fed cut. Those rate-cut bets are now starting to rebuild, and a stronger-than-expected Nonfarm Payrolls print on Thursday could briefly revive speculation of a late-year move. However, we expect the Fed to remain on hold through December, maintaining a more hawkish posture until clearer evidence of genuine labour-market cooling emerges, particularly as this week's payrolls data cover September and offer only limited insight into the most recent economic dynamics.

Across the Atlantic, we expect the Bank of England to move first. Our base-case is a 25bps reduction to 3.75% at the December meeting. UK inflation data, due tomorrow, is expected to soften further, and keeping a BoE cut firmly in play.

Base Metals

Sentiment from equity markets appears to have filtered into the base metals complex, contributing to today's

softness, though the move has been more orderly. The recent equity volatility highlights the degree of speculative length underpinning broader risk assets; however, with key technical levels in major indices still holding, this looks more like a short-term position clean-up rather than the start of a deeper risk-off trend.

For metals, volatility has barely moved, reinforcing the view that downside pressure is likely to remain balanced, and that any further weakness may attract potential dip buyers. Until speculative length is meaningfully unwound, price action is likely to stay choppy but rangebound.

In particular, copper faces support in the form of previous lows at \$10,577/t. This suggests a continuation of rangebound moves, with copper's longer-term narrative still underpinned by refined market tightness into year-end. Elsewhere, nickel continued to weaken strongly, testing the April lows of \$14,550/t before bouncing back to \$15,638/t. Zinc spreads collapsed, with the cash-to-3-month spread dropping to \$104/t, aiding the unwinding of metal tightness and prompting the forward price to drop to \$2,989/t.

Precious Metals and Oil

Gold briefly tested support near \$4,000/oz before rebounding above \$4,050/oz, reflecting a market still sensitive to shifts in rate expectations. Silver hovered around \$50/oz, lacking a decisive directional catalyst ahead of this week's data.

Oil prices eased slightly, with WTI slipping below 60.0/bbl and Brent steady around 64.0/bbl as traders reassessed demand indicators and awaited clarity from upcoming macro releases.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2805	2813	2770	2780.0	2806	30009	726474	-35.81	126.10
Copper	10752	10766	10661	10719.5	10767	24732	324433	-35.33	486.23
Lead	2039	2044	2022	2023.5	2039	8497	172614	-28.21	91.79
Nickel	14650	14660	14520	14638.0	14675	8979	259667	-199.86	663.98
Tin	36780	37150	36500	36873.0	36900	704	23647	-5.01	1672.55
Zinc	2987	3013	2961	2989.0	2990	14969	224451	129.76	135.58
					Total:	87890	1731286		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2749.5	2787	2819.39	2841.95	2775.08	2813.5	2843.125	2862.875
Copper	10649	10695	10644.7	10542.7	10745.88	10778.5	10764.16667	10787.41667
Lead	2012	2036	2096.6	2166.6	2020.62	2037.5	2025.708333	2050.125
Nickel	14450	14630	15188.64	15788.64	14446.43	14650	14809.16667	15005.83333
Tin	36770	36700	36760		36811	36886	36474.58333	36461.66667
Zinc	3125	2972.5	2958.03	2877.03	3098.97	2994	3202.875	3055.958333

LME Stocks (tonnes)								Other Copper Markets	
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	550200	0	2125	-2125	548075	25850	522225	Comex, USc/lb	
Copper	136050	5000	550	4450	140500	8925	131575	'DEC 25	506.3 -0.76
Lead	266125	175	1500	-1325	264800	89700	175100	'MAR 26	513.55 -0.72
Nickel	257694	1158	1020	138	257832	13632	244200	Shanghai, CNY/mt	
Tin	3055	0	0	0	3055	130	2925	01-Nov	86360 -0.72
Zinc	39975	3600	50	3550	43525	3425	40100	01-Dec	86410 -0.95

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	23181	-1.74	GBP	1.3141	-0.1140	Gold	4072.04	0.6695	4083.2	4072.50
DJI	46303	-0.62	JPY	155.6800	-0.2698	Silver	50.78	1.1243		5105.5
S&P500	6642	-0.46	EUR	1.1575	-0.1467	Gold Comex	4072.6	-0.047		
SSE	3940	-0.81	CNY	7.1097	-0.0281	Platinum	1544.45	0.4769		
Hg Seng	25930	-1.72	AUD	0.6511	0.2618	Palladium	1414.32	1.446		
Brent	64	0.45	CAD	1.3978	0.5509					

Source: Bloomberg
Updated: 18/11/2025 17:30

All price data is from 18.11.2025 as of 17:30

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