

Base Metals Weekly

Monday, November 17, 2025

Base metals, particularly copper and zinc, experienced a week of mixed but broadly constructive price action shaped by shifting macroeconomic expectations, evolving trade dynamics, and persistent supply-side challenges. While sentiment fluctuated with incoming global data and geopolitical developments, markets leaned toward cautious optimism, allowing copper to stay near its recent highs and supporting zinc through a continued inventory squeeze.

Copper prices strengthened through the early part of the week, largely supported by a weaker U.S. dollar and tentative signs of easing trade tensions between the United States and China. The market appeared willing to overlook softer Chinese physical demand data, most notably a 9.7% MoM drop in China's October copper imports, as high global prices discouraged restocking among Chinese buyers. Combined with unexpectedly weak export figures, these data points signaled softer short-term momentum for China's industrial sector following months of accelerated purchasing aimed at getting ahead of U.S. tariff deadlines.

Despite these demand-side concerns, copper maintained upward momentum due to a combination of supportive macroeconomic factors. Expectations that the prolonged U.S. government shutdown would soon end helped stabilize investor sentiment, while easing deflationary pressure in China offered further encouragement across the metals complex. The Senate's approval of a temporary funding bill, soon expected to pass the House and already endorsed by President Trump, set expectations for the resumption of government operations, guaranteed back pay for federal workers, and a temporary end to the administrative gridlock weighing on risk appetite.

Copper prices experienced mild profit-taking as traders positioned themselves ahead of a fresh round of Chinese economic data and

Commodity	Copper	Aluminum	Zinc
Open	1012.05	273	305.15
Close	1008.5	270.50	303.35
Change	8.20	-2.00	1.30
% Change	0.82%	-0.73%	0.43%
Open Int.	7594	2528	2690
Change	-2144	-557	5
Pivot	1008.3	270.9	303.5
Resistance	1016.2	272.6	305.5
Support	1000.7	268.8	301.4

LME Inventory Weekly Market Data				
Commodity	Copper	Nickel	Aluminum	Zinc
Open	136275	253404	547225	34900
Close	135725	252090	552375	38975
Change	-550	-1314	5150	4075
% Change	-0.40%	-0.52%	0.94%	11.68%

key U.S. releases that had been delayed due to the shutdown. The lack of October U.S. inflation and employment reports complicated market expectations for the Federal Reserve's upcoming December policy meeting, placing additional emphasis on November data to guide rate outlooks.

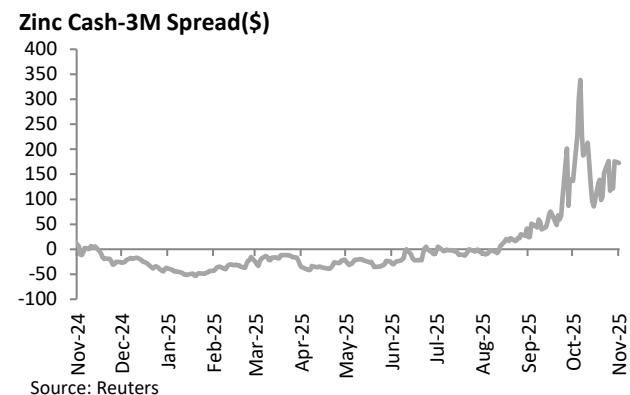
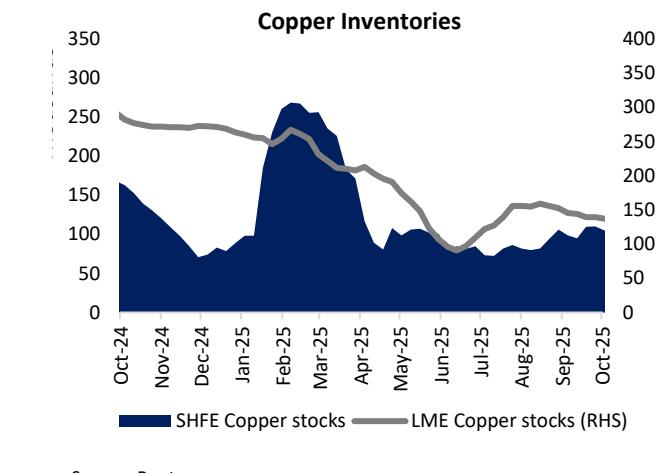
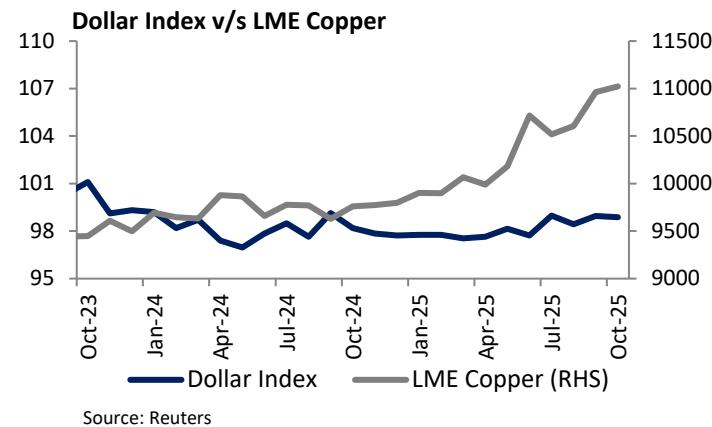
A central source of strength this week remained copper's medium-term supply outlook. Market participants continued to anticipate a global deficit emerging by 2026, a view reinforced by lower-than-expected output from major miners such as Glencore and Anglo American. A series of mining incidents over recent months has also disrupted production, collectively affecting an estimated 5 to 6 percent of global copper output and highlighting ongoing vulnerabilities in supply chains.

CoT data continued to show a steady increase in speculative long positions, a trend that has persisted since August. This positioning reflects growing confidence in the long-term demand profile for copper, supported by electrification, renewable energy expansion, and broader energy transition investments. Although near-term demand signals remain somewhat uneven, medium- and long-term structural fundamentals continue to attract bullish interest.

Broader macroeconomic drivers provided additional support for industrial metals. Improving risk appetite, partly driven by expectations of earlier Federal Reserve rate cuts in response to signs of labor market cooling, helped underpin sentiment. However, mixed economic indicators from China moderated some of that enthusiasm. Industrial production for October rose 4.9% YoY, slowing from September's 6.5%. Fixed asset investment, a key indicator of heavy industrial and construction activity, fell 1.7% YoY, significantly below expectations.

Market complexity increased further following reports that Beijing may target the copper refining sector as part of a wider campaign to reduce industrial overcapacity. Recommendations from China's nonferrous metals association for stricter controls on new smelting projects suggested the potential for tightening refined copper supply in the medium term.

Zinc also delivered a strong performance through the week, supported overwhelmingly by tightening global inventories. LME zinc stocks fell toward the thirty five thousand to forty thousand ton range, reaching their lowest levels since early 2023 and marking an approximate 85 percent decline since the start of the year.



This sharp drawdown contributed to a substantial cash-to-three-month backwardation of more than \$100, underscoring intense short-term supply tightness. Inventories monitored by the Shanghai Futures Exchange also continued to decline, reinforcing the supply squeeze and supporting zinc's relative outperformance within the metals complex.

Overall, steady underlying support for both copper and zinc remained, despite periodic profit-taking and depressing macroeconomic data. Copper drew strength from improving global risk sentiment, expectations surrounding the U.S. government funding resolution, and robust structural fundamentals tied to supply constraints and long-term electrification demand. Zinc's performance remained driven primarily by its acute supply tightness, with inventories continuing to fall across both Western and Chinese exchanges. Short-term direction will depend significantly on upcoming Chinese data and delayed U.S. releases, which may influence the move for dollar index; pressuring metal prices.

Technical Outlook

MCX Copper on daily chart marked a high around Rs.1021 however, it failed to extend it positive above the same as it act as strong resistance mark. The price reversed from its short-term peak and is currently trading close to Rs.1006. Immediate strong support is placed at Rs.993 whereas critical support is placed at 987. As long as price holds above support zone bias looks sideways-to-positive. However, upside too will be capped around recent high of 1021 as it is strong resistance mark. Any sustained break below the support will negate the positive move and will confirm further weakness in price Rs.970 – 960 levels

MCX Zinc has been trading in a higher highs and higher lows pattern which signifies strength in price. However, after marking a high of 311.50 the metal has shown some weakness and it trading close to 302 area. Immediate support is placed at Rs.300 whereas resistance's are capped at Rs.307.7 & 311.50 respectively. As the metal is trading very close to key support zone we could see some pullback however, upside will be capped towards the resistance zone. Major trend confirmation will only be seen if price break and sustains below Rs.300 OR above Rs.311.50



MCX Aluminium has been trading in a rising channel forming higher highs and higher lows formation. Recently the metal has been facing strong resistance at Rs.275 and it has corrected from the same in the past couple of sessions. Immediate support is placed at Rs.268 and price sustained break below the same will confirm further weakness in price towards Rs.261 and majorly Rs.255 area. So, any short covering from the current are should be a good selling opportunity however our bias will negate if price break and sustains above the resistance of Rs.275



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