Sucden Financial

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DAILY BASE METALS REPORT

# Geopolitical Risks Soften, Volatility Remains

## Summary

- Earnings have reasserted themselves as the near-term driver, with investors favouring growth-linked sectors despite lingering macro uncertainty.
- Base metals posted another volatile session, with upside attempts met with proportionally profit-taking. Tin remains the most vulnerable to corrective pressures.
- Precious remain flow-driven, with dips still attracting buyers rather than beginning a trend reversal.

### Macro

US equities opened higher on Thursday as stronger earnings helped stabilise sentiment after a choppy start to the week. Tech outperformed after upbeat semiconductor results re-energised the AI-investment theme, while solid numbers from major US banks helped financials retrace losses. We see earnings as the dominant driver for now, with investors leaning into growth-linked sectors rather than macro signals.

Weekly jobless claims reinforced the view that labour-market cooling remains orderly. The dollar strengthened and yields firmed, and we see little appetite to price further Fed easing without a more material slowdown in activity. From here, labour and consumer data carry more asymmetry on the downside, as weaker prints would re-ignite rate-cut discussions faster than stronger prints would extend the current pricing.

### Base Metals

Base metals posted another volatile session, with sharp intraday swings reflecting market indecision over whether longs can extend the rally for another leg higher. As a result, upside attempts were largely met by proportional profit-taking. While the price discovery remains predominantly flow-driven rather than fundamental; there are few signs of a broader trend reversal, with selling activity largely confined to profit-taking rather than de-risking.

Nearby spreads in aluminium and copper eased on the day but remain in backwardation, suggesting that while some front-end pressure is being relieved; further unwinding would likely be needed before these markets can soften more decisively. For now, structure continues to provide a degree of downside support.

Tin appears the most vulnerable within the complex, in our view. Recent gains to record highs were amplified by speculative participation against a backdrop of thin liquidity, leaving prices more exposed to corrective pressure. That said, while tin has retreated from its peaks, it continues to hold above the key $50,000/t level, indicating that elevated prices have not yet been decisively rejected.

Likewise, aluminium and copper weakened but held above their respective support levels of $3,150/t and

$13,000/t, respectively. Zinc and lead jumped higher to $3,300/t and $2,090/t, respectively.

## Precious Metals

Precious metals softened, with gold holding near resistance at $4,620/oz and silver briefly dipping below $87/oz. The retracement in silver followed reports that the critical-mineral tariffs will not be applied as initially expected, triggering profit-taking after an aggressive rally. However, buying interest resurfaced quickly, with silver reclaiming the $90/oz area and suggesting that liquidity on dips remains robust. For now, volatility remains elevated, implying two-way price action with scope for sharp moves in both directions as positioning adjusts.

Oil prices eased as geopolitical tensions between the US and Iran appeared to cool, with WTI trading near $59.3/bbl and Brent slipping under $64/bbl. With the latest escalation risk fading, we expect crude to drift further toward the lower end of recent ranges in the near term.

All price data is from 15.01.2026 as of 17:30