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DAILY BASE METALS REPORT

Tariff Talk, Safe-Haven Walk

Summary

- Trade politics kept markets headline-sensitive without forcing direction.
- Copper spec length trimmed while commercial flow continued to support structure.
- Gold held momentum as silver stayed two-way.

Macro

With Davos entering its second day, sentiment turned risk-off as renewed trade tensions with Europe resurfaced in the headlines. US equities opened sharply lower, erasing most of January's early gains.

The dollar softened, with the DXY slipping below 98.5, while Treasury yields pushed higher, with the 10-year briefly testing the 4.30% area. The move in rates was amplified by pressure in Japanese government bonds, adding cross-market spillover into US duration and keeping macro volatility elevated.

Base Metals

Base metals extended their pullback, suggesting that recent highs are unlikely to be retested in the near term. Copper continued to lead the adjustment, briefly testing support near \$12,700/t before rebounding toward \$12,755/t. COT data indicates that speculative length has been reduced, while commercial participation remains active, providing mechanical support through hedging activity.

Nearby copper spreads tightened further into backwardation, implying that additional unwinding may be required before prices can soften more convincingly. The term structure therefore continues to act as a buffer, with commercial flows offering downside support as spec positioning normalises.

Aluminium spreads eased back into contango, while the metal slipped below support at \$3,110/t to settle near \$3,099/t. Lead also breached support at \$2,040/t, while nickel and zinc weakened to around \$17,630/t and \$3,182/t respectively. Tin briefly traded above \$52,000/t before surrendering gains into the close, ending near \$49,250/t.

Precious Metals

Precious metals remained in focus, with gold breaking fresh record highs near \$4,740/oz. Silver traded in a narrower \$94–96/oz band, showing less conviction as participants debated whether to treat it as a momentum allocation alongside gold or as a more reactive expression of industrial-metals sentiment. The hesitation suggests that silver is still searching for a dominant narrative, even as dip-liquidity remains active.

Oil prices firmed, with WTI hovering near \$60.3/bbl and Brent close to \$65.0/bbl as geopolitics kept crude skewed

to the upside.

All price data is from 20.01.2026 as of 17:30

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