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DAILY BASE METALS REPORT

We Blink, Metals Move

Summary

- Equity weakness proved how sentiment, not fundamentals, is driving price action.
- Copper-led volatility reflected speculative macro positioning rather than fundamentals.
- Precious tracked risk flows while oil stayed bid on escalating geopolitical tension.

Macro

US equities opened lower, led by weakness in the Nasdaq, after Microsoft's cloud update failed to inspire despite meeting headline expectations. The reaction reinforced a broader dynamic that has been building beneath the surface: markets are increasingly trading the perception of momentum rather than the underlying fundamentals themselves. In this environment, marginal disappointments can carry outsized impact, particularly where positioning and valuations are already stretched.

The current optimism around AI continues to be fuelled by aggressive infrastructure spending to meet surging demand, rather than by clear evidence of mature, scalable monetisation. A more meaningful correction would likely require either a run of negative earnings revisions or a broader shift in risk sentiment, but given how crowded positioning has become, any break in confidence could prompt a sharp and disorderly adjustment. We continue to see that risk building into 2026 as the earnings cycle matures.

With the bulk of Big Tech results now behind us, attention turns to energy earnings tomorrow. In macro, the dollar remained choppy, with the DXY hovering near 96.5, while the 10-year Treasury yield stayed range-bound, offering little directional guidance.

Base Metals

Volatility surged across base metals, with copper firmly at the centre of the storm. Prices spiked aggressively in early trade, rising nearly \$1,000/t before extending gains further, only to reverse sharply once US equities opened lower. Copper shed close to \$1,000/t in under half an hour before stabilising around \$13,680/t, highlighting how tightly metals are currently moving in response to speculative macro risk sentiment rather than metal-specific fundamentals.

The rest of the complex followed suit. Aluminium, lead, and tin all erased earlier gains, finding support near \$3,230/t, \$2,010/t, and \$54,910/t respectively. Nickel proved more resilient, levelling out close to its opening level around \$18,340/t, while zinc managed to finish higher near \$3,430/t.

With tomorrow marking both the end of the week and the end of the month, a period that has recently seen investors aggressively flatten risk, positioning flows are likely to remain a dominant driver. We would not be

surprised to see further sharp, intraday swings as books are adjusted into the close.

Precious Metals

Precious metals moved almost in tandem with copper on the downside, highlighting that price action is currently being dictated by macro positioning rather than by traditional safe-haven demand. As discussed in our recent webinar, in this type of environment even modest macro shocks can trigger fast, synchronised corrections across both precious and base metals. At the time of writing, gold traded around \$5,250/oz, while silver at \$111/oz.

It is also worth noting that current price levels sit well above those typically associated with pure uncertainty hedging. That leaves gold and silver increasingly exposed to positioning-driven pullbacks if macro sentiment turns decisively risk-off, even if the longer-term structural case remains intact.

Oil prices extended their rally, reaching the highest levels since July as tensions between the US and Iran intensified. WTI pushed above \$66/bbl, while Brent moved through \$71/bbl, with markets increasingly pricing the risk of direct US involvement.

All price data is from 29.01.2026 as of 17:30

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