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DAILY BASE METALS REPORT

Precious Metals Shine Again

Summary

- The dollar's advance lost momentum.
- Base metal relief bounce met by cautious positioning and two-way trade.
- Gold and silver bounced, but conviction remains fragile.

Macro

US equities opened mixed, with investors remaining selective ahead of key earnings later in the week. Focus now turns to Alphabet results after the close tomorrow and Amazon on Thursday, which we expect to be important for shaping near-term sentiment.

The dollar paused its recent advance, finding a near-term level around 97.5, while the 10-year Treasury yield tested the 4.30% area - highest in a week - but remained broadly stable. We see the dollar's pause as tactical rather than a clear reversal, and we expect FX to stay sensitive to incoming data and earnings rather than setting a clean trend.

Base Metals

The softer dollar helped stabilise metals, with the complex staging a rebound after recent volatility. Copper moved back above \$13,300/t, aluminium reclaimed the \$3,100/t level, nickel tested \$17,500/t, and tin climbed back toward \$50,000/t. Lead and zinc remained range-bound, trading around \$1,970/t and \$3,320/t respectively. We see today's move as a relief bounce rather than a decisive shift in trend, with positioning still playing a dominant role.

COT data shows copper investment fund net length has begun to plateau after several weeks of reduction, suggesting selling pressure may be easing, though investors have yet to re-establish meaningful directional exposure. In aluminium, investment funds trimmed longs last week after pushing net positioning to elevated levels, reinforcing our view that upside may be harder to sustain without renewed macro support. We expect base metals to remain volatile, with further two-way trade likely as the market tests whether recent lows attract follow-through buying.

Precious Metals

Precious metals rebounded sharply, with gold advancing above \$4,900/oz and silver pushing close to \$90/oz. We see the bounce as positioning-driven after an aggressive unwind, rather than a return to one-way safe-haven flows. Given how extended prices had become relative to traditional uncertainty demand, we expect precious metals to remain sensitive to risk positioning in the near term.

Oil prices were little changed, with WTI around \$62.8/bbl and Brent near \$70.0/bbl. We expect crude to remain range-bound for now, with geopolitical risk continuing to provide support while demand-side clarity remains limited.

All price data is from 03.02.2026 as of 17:30

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