



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Senior Research Analyst

FRI 06 FEBRUARY 2026 00:10

DAILY BASE METALS REPORT

Dollar Takes Control

Summary

- Central bank holds failed to steady sentiment, leaving FX strength to drive risk lower.
- Dollar-led de-risking pushed the base metal complex lower, with positioning still unwinding.
- Precious saw forced clean-up on a stronger dollar, while oil softened despite geopolitical support.

Macro

Global risk sentiment deteriorated further as central bank decisions failed to provide reassurance and equity markets remained under pressure. US equities moved lower again, led by weakness in tech, while the dollar strengthened toward the 98 area as investors leaned into defensive positioning. The move in FX dominated cross-asset pricing, even as rates moved the other way.

The ECB and the Bank of England both held rates as expected, but the messaging divergence mattered. The ECB maintained a broadly neutral, data-dependent stance, while the BoE's narrow vote split and dovish tone prompted markets to pull forward expectations of rate cuts later this year. Sterling weakened sharply as a result, reinforcing the dollar's bid. US 10-year yields edged lower toward 4.20%, reflecting a softer risk backdrop rather than a shift in policy expectations. For now, FX strength, not rates, remains the key macro headwind for commodities.

Base Metals

Base metals came under renewed pressure as the stronger dollar and softer risk tone filtered through the complex. With central banks out of the way and equities extending losses, price action today felt less about discovery and more about continuation of the recent unwind.

Copper slipped back below the \$13,000/t level, trading down to around \$12,845/t and reinforcing the view that the market remains vulnerable while the dollar stays bid. Aluminium weakened further, falling below \$3,035/t to its lowest level since the final session of 2025, as long positioning continued to be worked off. Nickel declined but held above \$17,000/t, suggesting some reluctance to press downside aggressively at these levels. Tin approached the \$45,000/t area, where thinner liquidity once again amplified the move. Lead extended losses below \$1,960/t, while zinc edged lower to around \$3,280/t.

Overall, today's session looked like broad-based de-risking rather than metal-specific weakness. With the dollar firm and risk appetite fragile, we see limited scope for a sustained rebound near term. Further downside remains possible if FX strength persists, though after several heavy sessions the market may begin to transition into a more hesitant, range-bound phase as positioning thins.

Precious Metals

Precious metals saw another sharp leg lower as the stronger dollar and risk-off flows drove a further unwind in positioning. Gold failed to regain traction above the \$5,000/oz area and dropped below \$4,850/oz, while silver reversed sharply after briefly touching \$90/oz, falling through \$80/oz and finding tentative support closer to \$75/oz. The scale of the move suggests forced de-risking rather than a change in the longer-term narrative, but it also highlights how exposed prices had become relative to traditional safe-haven demand. Until positioning stabilises, rallies are likely to remain fragile.

Oil prices also softened, with WTI slipping toward \$63.0/bbl and Brent easing to around \$67.3/bbl. Despite ongoing geopolitical uncertainty, crude struggled to sustain upside as broader risk sentiment weakened and the dollar firmed. Near term, we see oil remaining vulnerable to macro swings, even as underlying geopolitical risk continues to provide a floor.

All price data is from 05.02.2026 as of 17:30

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).