Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Senior Research Analyst

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DAILY BASE METALS REPORT

Choppy Trade

Summary

- Dollar firmed as yields stabilised and equities lost momentum.
- Short-term selling in base metals met longer-term buying, limiting downside.
- Precious tracked macro flows while oil surged on geopolitics.

Macro

US equities opened lower, surrendering part of Wednesday's rebound as markets continued to struggle to regain momentum toward recent highs. Fresh data showed the US trade deficit widened in December, driven by a surge in imports. While the deterioration implies that trade likely contributed little to fourth-quarter GDP, the composition of imports, which were heavily skewed toward capital goods, suggests underlying business investment remains resilient, helping preserve expectations for solid growth.

The dollar extended gains, with the DXY briefly touching 98.0, while the 10-year yield tested 4.10% before easing back toward 4.08%. The markets remain sensitive to macro signals, but without a clear directional shift in policy expectations.

Base Metals

Base metals traded choppily, with short-term selling pressure repeatedly met by longer-term buying interest, limiting downside follow-through. The pattern suggests that while systematic or momentum-driven flows continue to liquidate, strategic investors are stepping in at lower levels.

Copper briefly fell toward $12,670/t before stronger volumes lifted it back above $12,800/t. Aluminium showed a similar profile, finding support near $3,040/t and rebounding toward $3,070/t. The rest of the complex broadly mirrored copper's behaviour, with lead hovering around $1,960/t, zinc near $3,340/t, and nickel around $17,300/t.

The tug-of-war between shorter-term and longer-horizon participants reinforces the sense that downside is likely to stay contained.

Precious Metals

Precious metals moved broadly in line with copper, reflecting shared macro drivers rather than metal-specific catalysts. Gold encountered resistance near $5,022/oz and traded closer to $5,000/oz, while silver struggled to sustain gains above $79/oz, hovering nearer $78/oz.

Open interest has been building in longer-dated gold options. This typically signals growing demand for longer-term upside exposure at relatively low premium levels, suggesting more investors are positioning for higher prices over time while limiting near-term risk. Such positioning can provide a supportive backdrop if volatility rises or directional momentum strengthens over the longer term.

Oil prices continued to rally, with WTI moving above $66.5/bbl and Brent approaching $72/bbl, marking the highest levels since July 2025. Ongoing tension between US and Iran, remains a key driver underpinning prices.

All price data is from 19.02.2026 as of 17:30