Sucden Financial

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WED 25 FEBRUARY 2026 07:30

DAILY BASE METALS REPORT

Rangebound Markets, Active Flows

Summary

- Tariff policy remains adjustable, keeping markets headline-driven.
- Chinese participation returned into the base metal space, lifting early volumes and copper.
- Precious consolidated while crude held near recent highs.

Macro

US equities rebounded after Monday's decline but remain rangebound overall, having struggled to break to fresh highs since the start of the year. Trade policy remains a central uncertainty. A new baseline US tariff framework of 10% has now been enacted for 150 days, while the previously signalled increase toward 15% has not yet been implemented but remains an active policy option. Markets continue to interpret the structure as adjustable and tactical rather than fixed, reinforcing headline-driven volatility.

Consumer confidence improved from January levels, though sentiment remains weaker than most of the past year, highlighting that households are not yet regaining full optimism.

The dollar index held steady near 97.8, while the 10-year yield was broadly unchanged around the mid-4% area, suggesting macro markets are consolidating rather than repricing policy expectations.

Base Metals

Base metals saw more active participation as Asian liquidity returned, with stronger early-session volumes helping copper push back above $13,000/t and approach the $13,200/t area. The move suggests that physical and regional flows remain willing to engage at lower levels, particularly as Chinese participation normalises following the holiday period.

Aluminium showed a different intraday profile, with most activity concentrated later in the session. Prices slipped toward $3,090/t into the close, indicating that selling pressure remains active on rallies even as broader sentiment stabilises. The late-session shift may have been influenced by reports that the EU expects the US to soften the impact of planned metals tariffs in the coming weeks, a development that could alter trade flow expectations and prompt positioning adjustments. Nickel again tested the $18,000/t level but failed to hold, reinforcing it as a near-term resistance point.

Lead and zinc tracked a similar pattern to copper early before losing momentum. Lead ended near $1,960/t after drifting into a range, while zinc approached $3,440/t before easing back below $3,380/t.

Currency dynamics in China remain an important underlying theme for metals. Policymakers appear to favour gradual yuan appreciation rather than sharp gains, allowing the currency to strengthen moderately while intervening to limit excessive upside. We see this approach as supportive for commodities demand stability, as a stronger but controlled yuan improves import purchasing power without undermining export competitiveness.

For now, the complex continues to trade tactically rather than directionally, with flows and liquidity still dictating short-term price action.

Precious Metals

Precious metals were broadly steady. After reaching roughly $5,250/oz on Monday, gold consolidated closer to $5,150/oz, while silver held near $87.8/oz. The muted tone suggests recent volatility is easing, with markets pausing rather than reversing as positioning stabilises.

Oil prices fluctuated but remained elevated, with WTI above $66/bbl and Brent above $71/bbl. The ability to hold near recent highs indicates that geopolitical risk and supply concerns continue to provide underlying support even as intraday momentum softens.

All price data is from 24.02.2026 as of 17:30