



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Senior Research Analyst

THU 19 MARCH 2026 07:30

Daily Base Metals Report

Summary

- Markets weakened as Middle East tensions intensified following strikes on Iran's South Pars gas field.
- Base metals were mostly lower, with copper pressured by oil-led macro flows while aluminium found support.
- Precious metals broke lower, with gold testing key support as oil continued to dominate cross-asset sentiment.

Macro

US equities opened lower, hovering near their weakest levels this month as markets remained firmly focused on the escalating Middle East conflict. Sentiment deteriorated further after strikes on Iran's South Pars field prompted renewed threats of retaliation from Tehran, reinforcing expectations that the conflict may broaden.

What was initially expected to be a short-lived disruption is now increasingly being repriced as a more prolonged event. As a result, we see inflation risks moving back to the forefront, particularly through the energy channel, which is beginning to reshape expectations around the Federal Reserve's policy path.

Even backward-looking data added to the cautious tone. US PPI for February came in stronger than expected at 3.4%, suggesting that pipeline inflation pressures were already firm prior to the latest escalation. While not directly reflective of current conditions, the data highlight a macro environment that is not well-positioned to absorb an additional energy shock.

The dollar strengthened, briefly approaching 100 before settling near 99.8, while the US 10-year Treasury yield moved back above 4.22%.

Base Metals

Base metals were mostly weaker, although price action remained heavily driven by macro flows rather than idiosyncratic fundamentals.

Aluminium was the exception, finding support near \$3,340/t and rebounding modestly, recovering part of the previous session's losses. Despite this stabilisation, we continue to see limited upside given fading positioning support and the absence of fresh bullish catalysts.

Copper came under more pronounced pressure, moving in strong negative correlation with oil and the dollar. Prices dropped sharply around midday by around \$200/t within an hour, before stabilising above \$12,400/t on a surge in volumes. This type of flow-driven move reinforces the extent to which copper is currently trading as a

macro asset rather than on underlying fundamentals.

This strong inverse relationship remains an important dynamic to monitor. We see scope for further downside in copper if oil continues to push higher, with a move towards recent oil resistance levels potentially opening the way for copper to test \$12,000/t. More broadly, the complex remains vulnerable as long as energy-led inflation fears and dollar strength persist.

Precious Metals

Precious metals extended their decline, continuing to trade in strong negative correlation with oil as energy markets absorbed the bulk of geopolitical risk flows.

Gold fell towards \$4,850/oz, where it found support, while silver tested levels near \$76/oz. Importantly, gold broke its upward trendline in place since September 2025, signalling a potential shift in market structure. The lack of an immediate rebound following the break suggests that we see weakening momentum in the recent bullish trend, particularly in the face of rising real yields and a stronger dollar.

If macro pressures persist, we expect further downside risks, with prior support zones likely to come back into focus. The broader dynamic remains that oil is acting as the primary geopolitical hedge, limiting safe-haven demand for precious metals.

Oil prices continued to push higher, with WTI approaching \$98/bbl and Brent rising above \$108/bbl. With direct strikes now affecting major gas infrastructure in Iran, we see the risk premium in energy markets remaining elevated, and potentially increasing further if retaliation materialises and disruptions spread across the region.

As long as oil continues to lead, we expect cross-asset correlations to remain dominant, with metals trading largely as a function of energy-driven macro flows rather than standalone fundamentals.

All price data is from 18.03.2026 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).