Sucden Financial

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DAILY BASE METALS REPORT

Risk Grinds Higher as Rates Stay Contained

Summary

- Softer yields and a weaker dollar are underpinning risk sentiment, though energy levels remain the key macro check.
- Base metals are fragmenting, with selective strength in copper set against broader softness elsewhere.
- Precious metals are consolidating, with upside capped until clearer signals emerge from rates or FX.

Macro

US equities extended gains, with the S&P 500 and Nasdaq pushing to fresh record highs as markets continued to look through geopolitical noise and focus on easier financial conditions. The dollar started the session above 98.2 on DXY but slipped back to hold below 98.0, while the US 10 year yield remained capped below 4.4%, reinforcing the supportive tone.

Oil prices stabilised after recent losses, with Brent back above $100/bbl but trading steadily rather than driving fresh inflation concern. We see risk appetite remaining supported as long as rates stay contained and energy avoids another sharp leg higher.

Looking ahead, markets are likely to stay headline sensitive around the US–Iran situation, but the balance of risks currently favours consolidation.

Base metals

Base metals were mixed, with price action increasingly fragmented across the complex.

Copper broke above $13,500/t in early trade and managed to hold, closing around $15,370/t, shifting near term focus to whether the break can consolidate or prompt renewed profit taking.Aluminium remained muted, hovering near $3,500/t and showing little follow through. Nickel continued to soften, slipping below $19,000/t, while lead eased back from Thursday's highs to close around $1,975/t. The cash to three month spread has moved back into contango, signalling a loosening in nearby tightness.

We expect this lack of a cohesive move to persist, with individual metals trading their own fundamentals and positioning.

Precious metals and oil

Precious metals were largely flat. Gold held around $4,700/oz, with a lack of clarity from rates and FX preventing a decisive push higher. Silver also stalled, capped near $82/oz for now.

We expect upside momentum to remain limited unless yields move materially lower or the dollar weakens further; otherwise, price action is likely to remain rangebound into next week.

All price data is from 09.05.2026 as of 17:30