

Authors

Viktoria Kuszak
Senior Research Analyst

Daria Efanova
Head of Research

WED 20 MAY 2026 07:30

DAILY BASE METALS REPORT

Yields Drive the Reset

Summary

- Rising yields and oil are tightening conditions again, keeping equities under pressure.
- Copper is testing key support around \$13,400/t, while broader metals lack conviction.
- Gold and silver are breaking lower as the dollar and real rates reassert downside pressure.

Macro

US equities opened lower as the bond sell-off deepened and inflation fears continued to dominate sentiment. The 10-year yield surged to 4.66%, the highest level since early 2025, driven by persistently elevated oil prices. The dollar rebounded sharply back to 99.4 on DXY, reflecting the widening rate differential and safe-haven demand.

Oil remains the central macro pressure point. Brent is holding close to \$110/bbl while WTI traded near \$109/bbl. Geopolitically, Trump confirmed he postponed a planned military strike on Iran after Gulf allies urged restraint, stating that serious negotiations are now under way. However, the Strait of Hormuz remains heavily disrupted, with Iran moving to formalise administrative control over shipping through a new transit authority, while the UAE and Oman launched an overland logistics corridor to bypass the waterway entirely.

We expect the combination of higher yields, a firm dollar and unresolved energy risk to keep risk appetite constrained, with Nvidia earnings tomorrow the next key test for equity sentiment.

Base metals

Base metals were mixed but the tone remains heavy.

Copper extended its decline, falling to around \$13,410/t, now well below the \$14,000/t level that gave way last week. The pace of the sell-off from the recent highs above \$14,200/t has been sharp, and the market now sits near the 50 and 100-day moving averages. We see \$13,400/t as the first area of support.

Aluminium held up slightly better, closing right below \$3,600/t. Nickel jumped above \$19,000 but didn't hold the gains, closing around \$18,770/t. Lead slipped below \$1,980/t toward \$1,964/t, tin extended its decline to \$51,730/t, and zinc was broadly flat near \$3,513/t.

We expect the stronger dollar and higher yields to keep base metals on the defensive, with selective dip-buying possible but broad-based upside difficult to sustain in the current environment.

Precious metals and oil

Precious metals came under renewed pressure as yields surged and the dollar strengthened. Gold fell toward

\$4,503/oz, breaking below the \$4,550/oz support that had held through last week. The move lower is consistent with higher real yields raising the opportunity cost of holding non-yielding assets, and we see \$4,500/oz as the next key level.

Silver was hit hardest, dropping over 4% to around \$74.4/oz. The decline from \$88/oz just last week has been severe, and the pace of selling points to a position unwind following the recent sharp rally. We expect silver to remain volatile, with the market needing to find a base before any meaningful recovery can take shape. If yields continue to climb, further downside pressure looks likely.

All price data is from 19.05.2026 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).