Sucden Financial

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DAILY BASE METALS REPORT

Yields Back Up as Copper Breaks Higher, Gold Under Pressure

Summary

- Markets held near highs but cautious, with yields back above 4.5% and oil firm, keeping the focus on sticky inflation and a heavy US data week alongside unresolved Hormuz risks.
- Copper broke higher on tariff-driven flows, while tight nearby conditions persist in aluminium.
- Gold and silver weakened on stronger yields and dollar, with silver still prone to volatility.

Macro

US equities started the week close to record highs, supported by the AI trade, but the tone stayed cautious ahead of a heavy US data week that includes ISM manufacturing, JOLTS, ADP, ISM services and Friday's payrolls report. The dollar moved back into a 99.0–99.5 range, while the US 10-year yield pushed back above 4.5%, showing that markets are still pricing sticky inflation and little near-term relief from policy. Oil also firmed, with Brent around $96–97/bbl and WTI around $93–94/bbl.

On US-Iran, talks remain unresolved and Hormuz is still the key sticking point. We expect rates and oil to keep driving the macro tone until there is clearer progress on Hormuz or this week's US data start to weaken the rates picture.

Base Metals

Base metals were firmer, led again by copper. Copper broke above the range it had been stuck in since mid-May and rose through $13,800/t as renewed concern over possible US refined copper tariffs pulled more metal toward the US ahead of the June 30 review deadline. We see the breakout as constructive, but copper now needs to hold above the old range to keep the move intact.

Aluminium rose to $3,720/t, while the cash-to-three-month spread briefly widened above $100 backwardation before easing back toward $97, keeping nearby tightness firmly in place. Nickel briefly moved above $19,300/t before settling near $19,260/t, again showing that rallies are still attracting selling interest above the market. Tin also strengthened sharply, moving above $56,700/t. We expect the complex to stay better supported than the macro picture alone would suggest, with copper still the clearest leadership market.

Precious Metals

Precious Metals

Precious metals moved lower. Gold dropped almost $100 and found support near $4,450/oz, with the move consistent with the stronger dollar and higher US yields. Silver was more volatile, dropping to support near $74/oz before recovering toward $75/oz.

We see both metals staying under pressure while yields remain elevated. Gold needs to hold $4,500/oz to stabilise, while silver still looks more vulnerable to volatility after failing to build a stronger recovery.

All price data is from 01.06.2026 as of 17:30