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DAILY BASE METALS REPORT

Dollar Strength Meets Tech Sell-Off

Summary

- Tech-led equity weakness and a stronger dollar above 101.2 pushed risk assets lower despite softer yields
- Broad long liquidation across base metals, with COT confirming reduced fund exposure
- Precious metals extended the correction, with silver underperforming and gold testing key support

Macro

US stocks opened lower, led by weakness in tech, as the ongoing sell-off in semiconductors and AI-linked names continued to weigh on sentiment. The move came alongside a firmer dollar, with the index pushing above 101.2 to its highest level since May 2025, and continued repricing of Fed expectations, while the US 10-year yield held below 4.5%. Oil edged slightly lower with Brent below \$77/bbl and WTI below \$73/bbl, but the move now looks more like stabilisation and it might take longer to see prices lower.

Lower oil and softer yields are no longer enough to offset the pressure from a stronger dollar and cautious positioning, leaving risk assets on the defensive. Our base case is that this alignment keeps conditions restrictive for commodities in the near term, with flows and positioning taking priority over fundamentals.

Base Metals

Base metals traded lower across the board, with the session evolving into a steady liquidation phase as selling pressure built through the day. Copper fell below \$13,375/t. Aluminium declined to \$3,235/t, breaking away from the recent \$3,390–\$3,400/t range, suggesting that the previous consolidation has given way to a more directional move lower. Nickel remained under pressure at \$17,230/t, extending its decline from the \$18,000/t region and showing only limited recovery into the close.

Zinc dropped below \$3,490/t after rolling over from above \$3,550/t. The spread narrowed but remains in backwardation at \$2/t, which continues to point to some nearby tightness, although the softer premium suggests diminishing support from the front end. Lead outperformed but still edged lower to \$1,940/t, with price action more contained compared to the rest of the complex. Tin was the weakest, falling to \$50,935/t, with losses accelerating once the market slipped below recent support.

Today's COT data showed that investment fund net positioning last week was reduced across all metals except tin and lead. That aligns with the broader tone of the session, where the move looked driven by long liquidation and reduced risk appetite rather than fresh directional conviction. The key takeaway is that flows have turned more cautious again; until positioning stabilises and copper can re-establish itself above the mid-\$13,000s, the path of least resistance remains lower.

Precious Metals

Precious metals also moved lower, with gold and silver failing to build on the mid-month rebound and extending the corrective phase. Gold fell below \$4,135/oz, continuing to trade below the \$4,300–4,350/oz area, which now acts as a clear cap. The move suggests that rallies continue to attract selling interest, while the market drifts back towards the \$4,100/oz support region.

Silver underperformed, declining to \$62/oz and extending the move lower after the rejection from \$70–72/oz. The sharper downside keeps the bias weaker in line with the base metals complex.

The broader driver remains the same. The stronger dollar is outweighing the support typically provided by softer yields, and positioning appears to be adjusting accordingly. As long as gold remains below the mid-\$4,300s and silver below \$70/oz, the near-term tone stays cautious, with risks skewed to further downside unless macro conditions shift in favour of weaker dollar dynamics.

All price data is from 23.06.2026 as of 17:30

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