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DAILY BASE METALS REPORT

Oil Shock Pressures Metals

Summary

- Renewed Middle East escalation lifted oil, yields and the dollar, putting equities under pressure and keeping the Fed path harder to reprice lower.
- Copper failed to hold above \$13,400/t and dropped back below \$13,200/t, while the wider complex turned mixed-to-weaker as risk appetite faded.
- Gold and silver sold off sharply as higher yields and a stronger dollar outweighed geopolitical support.

Macro

US stocks opened lower as renewed hostilities in the Middle East forced markets to rebuild part of the geopolitical risk premium that had been priced out over the past two weeks. Sentiment weakened after Donald Trump warned that the US would continue attacks, following US claims of strikes against Iran in response to attacks on commercial vessels travelling through the Strait of Hormuz.

Oil was the main transmission channel. Brent moved back above \$80/bbl and WTI rose above \$75/bbl as markets reassessed the risk of renewed disruption to Gulf shipping flows. The move higher in energy fed directly into rates, with the US 10-year yield rising close to 4.6%, as investors reconsidered whether another oil shock could keep inflation pressures elevated and limit the scope for a more dovish Fed repricing.

The dollar also strengthened, trading back above 101.2, as higher oil and higher yields supported demand for US assets while broader risk appetite weakened. We expect markets to remain highly headline-driven in the near term, with oil once again acting as the key macro anchor. If Brent holds above \$80/bbl, inflation expectations and yields are likely to remain supported, keeping pressure on equities and limiting the market's ability to fully price a softer Fed path.

Base Metals

Base metals turned lower. Copper was the weakest signal technically, falling below \$13,200/t after failing to build momentum above \$13,400/t. Yesterday's setup had looked increasingly compressed for a potential upside break, but today's move shows that the market still needs a clear catalyst before buyers are willing to push higher. For now, the failed break leaves copper back inside its recent range, with \$13,000/t the key support to watch.

Elsewhere, aluminium held slightly firmer around \$3,130/t but failed to sustain the intraday move above \$3,150/t, suggesting buying interest remains cautious. Lead also held up better, stabilising around \$1,890/t, while nickel remained rangebound near \$16,335/t. Zinc and tin weakened more sharply, with zinc easing back towards \$3,520/t after its recent run towards \$3,600/t, and tin falling towards \$51,950/t, suggesting profit-taking and weaker momentum after last week's strength. Overall, the complex remains uneven, with copper still the key

market to watch for direction.

Precious Metals

Precious metals sold off sharply as the stronger dollar, higher Treasury yields and renewed Middle East escalation weighed on the complex. Gold broke lower through the afternoon, falling from the low-\$4,100s to around \$4,025/oz, erasing most of the recovery seen after last week's softer payrolls report. The move suggests that higher energy prices and the rebound in yields are again dominating price action, with gold unable to benefit from geopolitical risk while the dollar and rates are moving higher.

Silver underperformed, dropping more aggressively to around \$57.3/oz after failing to hold above \$60/oz. The break lower is technically more damaging than in gold, taking silver back towards the lower end of its recent range and highlighting its greater sensitivity to risk reduction and weaker industrial sentiment. We see the near-term tone as more fragile, with both metals likely to remain under pressure unless yields retreat or the dollar gives back today's gains.

All price data is from 08.07.2026 as of 17:30

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