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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 markets started the week with renewed concern around the Middle East after the US and Iran exchanged strikes over the weekend and attention returned to shipping risks through the Strait of Hormuz.

Oil was again the main transmission channel. Brent moved close to \$80/bbl, while WTI traded close to \$75/bbl, as markets reacted to renewed disruption risk in the Gulf and reports that tanker traffic through the Strait had slowed further. The move reversed part of last week's easing in the energy risk premium and brought inflation concerns back into focus.

The dollar softened during the European morning but later recovered back above 101.1, while the US 10-year yield moved towards 4.6%, highlighting that investors are again linking higher oil prices with a more difficult inflation path. We see this keeping markets headline-driven in the near term, with tomorrow's US CPI print and Kevin Warsh's testimony likely to determine whether the latest rise in oil and yields becomes a broader Fed repricing or remains a geopolitical risk premium.

Base Metals

Base metals were mixed, with the complex still struggling to build a coordinated recovery after the volatility seen since the start of the Middle East conflict.

Copper strengthened to around \$13,560/t and held above \$13,500/t, but the move looked more like a controlled grind higher than renewed conviction. Broader interest in the metal still appears limited, and with positioning light into summer trading conditions, we see scope for profit-taking to re-emerge if the market fails to extend beyond the recent highs.

Aluminium and nickel were better supported, rising to around \$3,170/t and \$16,815/t respectively. Both metals have unwound much of their conflict-driven spikes, but elevated energy prices should keep some support in place, particularly for aluminium given its sensitivity to power costs. This leaves energy-intensive metals better

placed to hold recent gains if oil remains firm.

Elsewhere, lead weakened towards \$1,875/t, while zinc and tin both eased after recent strength, with zinc slipping back towards \$3,570/t and tin towards \$52,660/t.

Overall, the complex remains uneven. Copper may take longer to break lower, but the broader tone still feels fragile, with limited fresh fundamental input.

Precious Metals and oil

Precious metals weakened sharply, with both gold and silver extending the downside move from last week's highs.

Gold fell to around \$4,016/oz, breaking through the \$4,050/oz area and moving back towards the key \$4,000/oz support level. The last week's recovery attempt has now fully faded, with price action turning more defensive as higher yields and a firmer dollar continue to dominate.

Silver underperformed again, dropping to around \$58.1/oz and giving back most of the recovery seen after the early-July rebound. The move below \$59/oz is technically weak and leaves the metal closer to the lower end of its recent range. We see the near-term tone as fragile, with both metals likely to remain under pressure unless yields ease or the dollar loses momentum.

All price data is from 13.07.2026 as of 17:30

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