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DAILY BASE METALS REPORT

Soft Inflation Meets Thin Conviction

Summary

- Softer CPI and PPI pushed the dollar and yields lower, but elevated oil keeps the inflation story alive.
- Copper held above \$13,500/t but the broader complex softened, with low volumes limiting confidence in the move.
- Gold and silver failed to hold the early rally, leaving the recovery fragile without another leg lower in yields or the dollar.

Macro

US stocks opened higher as investors extended yesterday's CPI-led relief, with softer producer-price data adding to the view that inflation pressure may be easing faster than previously expected. The June PPI unexpectedly fell 0.3% MoM, while yesterday's CPI print had already pushed markets to reduce near-term Fed hike expectations. This helped equities look through some of the oil-driven pressure, with the S&P 500, Nasdaq and Dow Jones all trading higher in early US hours.

The dollar tried to recover towards 101.0, but the move faded and DXY slipped back towards 100.7, close to the level reached after Tuesday's softer CPI release. Similarly, US 10-year yield initially attempted to move higher, but later eased back into the lower 4.5% area as the softer inflation data capped expectations for further Fed tightening.

Oil remains the main constraint on a cleaner risk rally. Brent is still elevated around the mid-\$80s/bbl and WTI around the high-\$70s/bbl as renewed US-Iran tensions keep energy risk in focus, limiting the extent to which markets can fully embrace the disinflation story.

We see the softer CPI and PPI prints as supportive for risk assets and rate-sensitive markets, but the next move will depend on whether oil stabilises or continues to rebuild an inflation premium. If energy prices remain elevated, we expect yields and the dollar to stay reactive, even as incoming inflation data point to a less hawkish Fed path.

Base Metals

Base metals softened today, with yesterday's low-volume strength failing to extend across most of the complex. Copper eased to around \$13,580/t after failing to hold the move towards \$13,700/t, but it remains above the \$13,500/t area and still looks technically better than earlier in the month. The pullback does not fully reverse the recent improvement, but stronger participation is still needed to confirm a sustained break higher.

Aluminium weakened to around \$3,150/t and remains unable to rebuild momentum above the \$3,180–3,200/t area, while lead continued to drift lower towards \$1,850/t. Nickel was the relative stabiliser, holding near \$16,800/t,

although the move remains confined to the recent range and lacks a clear directional signal.

Zinc and tin saw the sharpest reversals after recent strength. Zinc slipped back towards \$3,550/t after failing to sustain the move above \$3,600/t, while tin fell sharply to around \$52,530/t, suggesting profit-taking and weaker momentum after yesterday's rally.

Overall, the complex still lacks a coordinated recovery, with copper holding up best technically, but the broader tone remains cautious and dependent on whether volumes return behind the recent upside attempts.

Precious Metals and oil

Precious metals failed to hold the initial CPI-driven momentum. Gold recovered from the low-\$4,020s and briefly pushed towards \$4,080/oz, but the move faded in later hours, leaving the metal around \$4,050/oz. The pullback suggests buyers are still active near \$4,000/oz, but conviction remains limited above \$4,050/oz.

Silver underperformed, falling back towards \$57.8/oz after failing to sustain the move above \$58.5/oz. The metal remains weaker than gold and is still struggling to rebuild momentum after Monday's sell-off. We see the near-term tone as cautious, with precious metals needing a further decline in yields or another leg lower in the dollar to extend the recovery.

All price data is from 15.07.2026 as of 17:30

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