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DAILY BASE METALS REPORT

Oil Risk Tests Risk Appetite

Summary

- Elevated oil and chip weakness kept equities under pressure, while the dollar held steady and yields eased towards 4.5%.
- Copper slipped back into its range, with aluminium and nickel failing to confirm Thursday's breakout attempts.
- Gold stabilised above \$4,000/oz, but silver remained fragile below \$57–58/oz.

Macro

US stocks opened lower as pressure in semiconductors and a sharp drop in Netflix weighed on sentiment. The weakness is less about a broad macro shock and more about renewed concern around crowded AI-related positioning, with chip ETFs down more than 2% and investors questioning whether heavy AI spending can keep translating into earnings growth.

The dollar remained rangebound around 100.8, supported by safe-haven demand from the renewed US-Iran escalation but still on course for a weekly decline after this week's softer inflation data reduced expectations for near-term Fed tightening. The US 10-year yield steadily fell towards 4.5%, with bond markets balancing softer inflation signals against resilient US data and continued Middle East risk.

WTI traded above \$81/bbl and Brent above \$86/bbl as US-Iran tensions escalated further, keeping energy risk elevated despite the recent improvement in inflation data. We see markets remaining cautious into next week: softer CPI and PPI have reduced the urgency for near-term Fed tightening, but elevated oil and fragile tech sentiment mean the disinflation trade still lacks a clean risk-on follow-through.

Base Metals

Base metals softened into the end of the week, with the complex giving back part of Thursday's rebound. Copper slipped back below \$13,500/t to around \$13,495/t after failing to sustain the move above \$13,600/t, leaving the market back in its recent range. The rejection is not a decisive bearish break, but it does suggest that buyers still lack conviction and need a stronger catalyst before pushing copper towards the higher end of the range again.

Aluminium also weakened, falling to around \$3,150/t after failing to hold the recovery towards \$3,180–3,190/t earlier in the week. This keeps the market capped below the key resistance area and suggests recent attempts to rebuild upside momentum are still fragile. Nickel gave back more of Thursday's breakout attempt, falling towards \$16,930/t after failing to hold above \$17,300/t, reinforcing the view that the earlier move was mainly technical and still needs follow-through to turn into a stronger trend.

Zinc was the weakest performer, dropping to around \$3,517/t and extending the pullback from the \$3,600/t area, which suggests the recent spread-led strength is now fading. Lead was the main outperformer, rising back towards \$1,885/t, while tin was broadly flat around \$53,190/t after recovering from earlier lows. Overall, the complex looks uneven and still driven by positioning. We expect copper to remain rangebound for now, while aluminium and nickel need to reclaim this week's highs to confirm that the upside rebuild is still intact.

Precious Metals and oil

Precious metals stabilised after Thursday's sell-off, with gold recovering back above \$4,000/oz. The move suggests buyers are still defending the \$3,970-4,000/oz area, but the metal remains well below the \$4,060-4,080/oz region that capped the recovery earlier in the week.

Silver also bounced, rising back towards \$56/oz after briefly testing the lower end of its recent range. However, the recovery looks weaker than gold's, with the metal still trading below the \$57-58/oz area and failing to repair the damage from this week's break lower. We expect silver to remain more vulnerable than gold unless the dollar and yields soften further, with the near-term focus on whether \$55/oz continues to hold as support.

All price data is from 17.07.2026 as of 17:30

Risk warning

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