Sucden Financial

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DAILY BASE METALS REPORT

Recovery Attempt Meets Oil Reality

Summary

- Semiconductors drove a recovery in equities, but higher oil prices kept pressure on yields and Fed expectations.
- Copper delivered the strongest technical signal, breaking out of its recent range as other metals lagged.
- Gold and silver rebounded sharply, though further gains still depend on a softer rates and dollar.

Macro

US stocks opened higher as investors took some comfort from renewed hopes of diplomatic progress with Iran and a rebound in chipmakers after last week's sell-off. The S&P 500 and Nasdaq were supported by renewed buying in semiconductors, while stronger earnings from industrial names also helped sentiment. The move looks more like a tactical recovery after last week's pressure than a clean risk-on shift, with investors still cautious ahead of major tech earnings and ongoing US-Iran risks.

The dollar moved back towards 101.1, while the US 10-year yield rose above 4.6%, suggesting markets are still reluctant to fully price a softer Fed path. Higher oil remains the main reason for that caution. Treasury yields have been supported by concerns that the renewed US-Iran escalation and threats to regional shipping could keep energy prices elevated and revive inflation pressure, with markets still assigning a meaningful probability to a Fed hike later this year.

Oil remains the key macro anchor. WTI traded close to $85/bbl, while Brent moved above $90/bbl after US-Iran strikes extended into a tenth day and Red Sea shipping risks increased. We expect markets to remain headline-driven in the near term. Any credible de-escalation would ease pressure on yields and the dollar, but as long as oil stays elevated, the market is likely to keep an inflation premium embedded in rates despite the recent softer CPI print.

Base Metals

Base metals strengthened overall, with copper and tin leading the move while the rest of the complex remained more uneven. Copper delivered the cleanest signal, breaking above the recent $13,600–13,700/t range and closing near $13,890/t. This is the first more convincing upside move after several sessions of consolidation, and the technical picture now looks more constructive. If a fresh tariff or flow-driven catalyst appears, copper now has scope to push towards $14,000/t.

Tin was also strong, rising above $54,000/t, although the move remains sensitive to thin liquidity and positioning. Zinc recovered to around $3,560/t but still failed to reclaim the $3,600/t area, which keeps our caution intact. Given that zinc still looks rich relative to fundamentals, we see it as more vulnerable to profit-taking if support from positioning or spreads fades.

Elsewhere, gains were less convincing. Aluminium rose but faded from the $3,180/t area, leaving the $3,190–3,200/t resistance zone intact. Nickel pushed higher towards $17,200/t but also gave back part of the move into the close, while lead softened back towards $1,870/t.

Overall, copper has shifted to a more constructive technical setup, but the broader complex remains selective and exposed to thin summer liquidity. We expect copper to lead near term, while aluminium and nickel still need to reclaim recent highs to confirm a stronger rebound.

Precious Metals and oil

Precious metals rebounded strongly, with both gold and silver extending the recovery from last week's lows. Gold rose to around $4,080/oz, after holding the $4,000/oz area and breaking back above the recent $4,060/oz resistance zone. The move is technically constructive, but the metal still needs to hold above $4,080/oz and push towards $4,100/oz to confirm that the recovery is turning into a stronger upside move.

Silver outperformed, rising 4.64% to around $59/oz and reclaiming the $58/oz area that had capped the market last week. The move is more decisive than in gold and suggests renewed momentum after the recent breakdown towards $55/oz. However, silver is now approaching the $59–60/oz zone, where previous rebounds have struggled, so follow-through will be important.

We see the complex as improving, but still dependent on whether yields and the dollar stop pushing higher.

All price data is from 21.07.2026 as of 17:30