Sucden Financial

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DAILY BASE METALS REPORT

Oil Up, Metals Follow

Summary

- Higher oil prices pushed yields back towards recent highs, keeping the dollar supported and limiting expectations for near-term Fed easing.
- Aluminium, lead and nickel led the gains as recovery momentum improved across the complex, while copper held above its breakout zone despite pausing after yesterday's rally.
- Gold broke above $4,100/oz and silver approached $60/oz, but both still need to hold these levels to confirm that the recovery is developing into a broader breakout.

Macro

US stocks opened mixed, with the S&P 500 close to flat, the Nasdaq lower and the Dow slightly firmer, as higher oil prices offset support from the earnings cycle. The pressure came mainly from the renewed rise in crude and caution ahead of major technology earnings, with investors focused on whether Alphabet, Tesla and other large-cap names can justify current AI-linked valuations.

Oil was again the main macro driver. Brent rose above $94/bbl and WTI moved towards $87/bbl after another round of US strikes against Iran and renewed concern around shipping through the Strait of Hormuz. This pushed energy-linked inflation risk back into focus and helped lift the US 10-year yield into the mid-4.6% area, leaving rates close to recent highs despite the softer inflation data seen last week.

The dollar hovered just below 101.2, holding firm but not extending aggressively, as markets balanced two forces: higher oil and yields on one side, and still-mixed equity sentiment on the other. We see today's price action as another sign that the market is not ready to fully price a softer Fed path while oil continues to rise. If Brent stays above $90/bbl, inflation expectations and yields are likely to remain supported, keeping risk appetite vulnerable and leaving the dollar relatively well bid.

Base Metals

Base metals were mostly firmer, although copper paused after yesterday's sharp breakout, easing to around $13,830/t. The metal remains comfortably above the previous $13,600-13,700/t resistance zone, so the technical structure is still constructive. However, buyers were not prepared to chase much beyond yesterday's highs.

Aluminium strengthened to around $3,190/t and is now testing the area that repeatedly capped the market last week. A sustained break above this level would be important, as it would suggest the recent rebuild in momentum is gaining traction. Lead also performed well, rising towards $1,890/t and extending the recovery from last week's lows, while nickel pushed higher to around $17,240/t, continuing to rebuild after the earlier failed breakout attempt.

Zinc recovered towards $3,585/t but still remains below the $3,600/t area, where recent rallies have struggled. Tin was steadier around $54,000/t, holding recent gains but lacking fresh momentum.

Overall, the complex looks better supported than earlier in the week, with aluminium, lead and nickel showing stronger recovery signals. Copper remains the key market to watch, with the breakout still intact.

Precious Metals and oil

Precious metals strengthened, with gold extending the recovery and moving above $4,120/oz. The metal has now pushed through the $4,080-4,100/oz area that capped previous rebounds, suggesting buyers are becoming more comfortable rebuilding exposure despite higher yields. The move looks more constructive than earlier in the week, although gold still needs to hold above $4,100/oz to confirm the breakout.

Silver also moved higher, trading around $59.5/oz and continuing to recover from last week's weakness. The metal is now approaching the $60/oz area, which remains the key level to watch. A sustained move above $60/oz would suggest the recovery is broadening, but until then silver still looks more like it is rebuilding momentum than fully breaking out.

All price data is from 22.07.2026 as of 17:30