Sucden Financial

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DAILY BASE METALS REPORT

# Markets Pause as Oil Eases and Tech Remains Under Pressure

## Summary

- Oil pullback eased inflation fears, but yields remain elevated.
- Base metals breakout levels came under scrutiny.
- Gold and silver found support on dips.

### Macro

US stocks opened mixed, with the Dow rebounding while the Nasdaq remained under pressure as investors continued to reassess the AI trade after the sharp sell-off in mega-cap and semiconductor names earlier in the week. The weakness in tech reflects growing concern around heavy AI-related capital spending, especially after Alphabet and Tesla were punished for higher spending plans, while chip names remain volatile ahead of next week's results from Microsoft, Meta and Apple. At the same time, the pullback in oil gave the broader market some relief, helping the Dow recover even as Nasdaq sentiment stayed fragile.

The dollar briefly touched 101.5 but later slipped back below 101.3, while the US 10-year yield started the day above 4.7% before easing towards 4.65% in the later hours. Oil prices had been moving lower through the session, with Brent falling below $96/bbl and WTI trading around $88/bbl. The pullback reduces some of the immediate inflation pressure, although yields remain close to their highest levels since early 2025, showing that markets are not yet ready to move away from the higher-for-longer narrative.

The US-Iran situation remains highly unstable. The key change today is that the market moved from panic pricing back towards partial stabilisation. As long as Brent remains in the mid-to-high $90s/bbl, energy-linked inflation risk will continue to limit how far yields can fall and how much the dollar can weaken.

We expect markets to remain caught between partial relief from lower oil and continued pressure from elevated yields, tariff risk and fragile tech sentiment. If oil continues to ease, yields and the dollar could soften further, giving equities more room to stabilise. If energy prices turn higher again or tariff headlines intensify, the market is likely to rebuild the inflation premium quickly, keeping the Nasdaq vulnerable and the dollar supported.

### Base Metals

Base metals were mixed, with the complex stabilising after yesterday's pressure but with no clear coordinated recovery. Copper edged higher to around $13,660/t after Thursday's sharp pullback, but the rebound remained modest and the metal is still well below the highs seen earlier in the week. For now, the market looks caught between the old $13,600-13,700/t breakout area and the need for a stronger push to rebuild upside momentum.

Aluminium was softer, easing to around $3,170/t after failing to hold the move above $3,200/t earlier in the week. The metal remains supported by its direct exposure to Middle East energy costs and regional supply flows, but today's price action suggests buyers are not yet prepared to chase it higher. Nickel held up better, rising back towards $17,365/t, although the move still looks contained within the recent range. Lead also stabilised around $1,895/t after a brief intraday push above $1,900/t.

Zinc and tin were the stronger parts of the complex. Zinc reclaimed the $3,600/t area and traded close to $3,610/t, suggesting that buyers remain present after yesterday's pullback. Tin also recovered towards $53,875/t, helped by a firmer late-session tone, although the market remains sensitive to thin liquidity and positioning.

### Precious Metals and oil

Precious metals recovered after yesterday's sharp sell-off, helped by the late pullback in the dollar and Treasury yields. Gold rose back towards $4,075/oz after finding support above the $4,020-4,030/oz area, but the rebound remains partial and the metal is still below the $4,100–4,150/oz zone that capped prices earlier in the week. This suggests buyers are returning on dips, although conviction is still limited at higher levels.

Silver outperformed, rising almost 2% to around $58.8/oz after holding above yesterday's lows. The move is encouraging, but silver still needs to reclaim $59-60/oz to repair the recent technical damage. For now, we see the complex stabilising after Thursday's pressure, with gold holding better and silver showing a stronger rebound, although both remain dependent on whether yields and the dollar continue to ease.

All price data is from 24.07.2026 as of 17:30


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