Sucden Financial

Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Senior Research Analyst

THU 06 AUGUST 2026 09:00

DAILY BASE METALS REPORT

Gold Breakout Leads the Rally

Summary

- Softer ADP, lower oil and a weaker dollar supported record-high equities, although yields above 4.6% kept the rates signal cautious.
- Copper, zinc and tin led base metals higher, with copper above $14,100/t and tin extending towards $56,700/t.
- Gold broke above $4,250/oz and silver surged above $62/oz as buyers rebuilt exposure ahead of Friday's payrolls.

Macro

US stocks opened higher and pushed further into record territory, extending the rally driven by strong earnings, lower oil and improving sentiment around US-Iran talks. The dollar softnened further, with DXY falling towards 99.7, while the US 10-year yield hovered just above 4.6%.

ADP employment rose by only 44k in July, below the 65k forecast, while ISM services came in at 54.1, slightly below expectations but still consistent with expansion. The softer labour signal helps explain why Treasuries have held onto part of their rally, but the 10-year yield remaining above 4.6% shows that markets are not yet fully abandoning the higher-for-longer narrative.

Oil was broadly stable after the sharp fall earlier in the week, with Brent still below $80/bbl and WTI around $75/bbl as markets continued to price out part of the US-Iran war premium. The situation remains fragile, but for now lower oil is easing the immediate inflation shock and helping equities hold record levels.

The rest of the week will test whether this relief can last. Thursday brings productivity, unit labour costs and jobless claims, while Friday's employment report remains the key release, with the calendar showing nonfarm payrolls expected at 70k and unemployment expected to hold at 4.2%. A softer payrolls print would give Treasuries another reason to rally and could extend the current risk-on move.

Base Metals

Base metals were firmer overall today, but the strength remained concentrated in copper, zinc and tin.

Copper extended above $14,100/t and held near the upper end of the recent move, suggesting buyers are still willing to add exposure while the dollar stays weak and yields remain contained. If liquidity remains supportive, the next test is whether prices can build towards the $14,150/t area, but any renewed dollar strength would leave the market vulnerable to profit-taking after the recent rally.

Zinc and tin showed the strongest follow-through. Zinc moved towards $3,730/t, continuing the upward structure that has been building since the start of the week, while tin rallied towards $56,700/t and remains the cleanest upside performer in the complex. Both markets look well supported for now, but the pace of the move is becoming stretched, especially in tin, so further gains may require either fresh supply concerns or a continued improvement in macro conditions. Aluminium also improved towards $3,240/t, although the move still looks less convincing than copper. Without a renewed supply-risk catalyst, we would be cautious about assuming aluminium can hold comfortably above the $3,240/t.

Precious Metals and oil

Precious metals rallied sharply today, with gold and silver both breaking out of the ranges that had capped price action earlier in the week. Gold surged above $4,250/oz, suggesting buyers have re-entered more aggressively as the dollar weakened and yields stayed below last week's highs, although the market is now stretched after such a rapid repricing.

Silver followed gold higher and outperformed in absolute momentum terms, rising above $62/oz after clearing the $60/oz area. The move confirms that last week's liquidation has been fully reversed, with buyers now willing to chase the market again. A sustained hold above $61/oz would keep the upside structure intact and leave silver positioned for another test higher, although intraday volatility is likely to remain elevated after such a sharp move.

All price data is from 05.08.2026 as of 17:30