Sucden Financial

Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Senior Research Analyst

SAT 08 AUGUST 2026 07:30

DAILY BASE METALS REPORT

Payroll Shock Lifts Precious Metals

Summary

- Weak payrolls supported equities and pushed DXY towards 99.5, but the rebound in yields kept the dovish signal incomplete.
- Base metals were mixed, with aluminium holding firm while copper, zinc and tin lost momentum after this week's rally.
- Gold and silver extended the breakout, supported by dollar weakness, though higher yields leave room for profit-taking.

Macro

US stocks opened higher as the weak July payrolls report encouraged investors to price a softer labour-market path into risk assets. Nonfarm payrolls fell by 23k, well below expectations for a gain, while the unemployment rate eased to 4.1%. The initial reaction was positive for equities and negative for the dollar, with DXY dropping towards 99.5.

The rates response was less straightforward. The US 10-year yield briefly fell towards 4.6% after the payrolls miss, but later rebounded back towards 4.7%, suggesting investors are still unsure whether one clear sign of labour-market softness is enough to shift the Fed towards cuts. Inflation remains an obstacle, and the Treasury market is not yet giving a clean dovish signal.

The Middle East risk premium also remains in place. Brent traded around $83.5/bbl and WTI around $78/bbl as the Strait of Hormuz situation stayed unresolved, with negotiations continuing but no clear reopening agreement in place. For now, the weaker labour print supports risk appetite, but firmer oil and the rebound in yields suggest the relief trade is still fragile.

Base Metals

Base metals were mixed, with aluminium and nickel recovering while copper, zinc and tin gave back part of this week's gains. Aluminium was the strongest performer, rising towards $3,278/t and continuing to hold above the $3,240/t area. The move keeps aluminium relatively well supported, but we would still be cautious about extrapolating a sustained breakout without a clearer supply-risk catalyst, especially with oil firmer and yields back near 4.7%.

Copper slipped back towards $14,086/t after failing to rebuild above the $14,200/t area, suggesting that yesterday's intraday reversal is still weighing on momentum. The market remains above $14,000/t, so the broader structure has not broken down, but copper now needs to stabilise quickly and reclaim the $14,150-14,200/t area to avoid turning this week's breakout into a failed extension. Zinc also weakened to around $3,704/t after losing momentum above $3,750/t, while tin fell sharply towards $55,555/t, confirming that profit-taking is starting to emerge after the recent stretched move.

Nickel recovered towards $17,005/t after yesterday's sharp sell-off, but the move still looks corrective while prices remain below $17,200/t. Lead also softened towards $1,881/t and continues to struggle around the lower end of its recent range.

Overall, today's price action suggests the complex is becoming more selective after the strong run earlier in the week. Aluminium is holding up best, but copper needs to regain momentum and zinc/tin need to stabilise before the broader base metals rally can extend further.

Precious Metals and oil

Precious metals extended the week's breakout, with gold and silver both pushing to fresh highs after the softer payrolls print weakened the dollar. Gold rallied towards $4,355/oz, holding the upward structure that developed earlier in the week and moving well above the previous $4,300/oz area. The move suggests buyers remain comfortable adding exposure, but the rebound in the US 10-year yield towards 4.7% means the market is now more vulnerable to profit-taking if rates continue to retrace higher.

Silver also strengthened, rising towards $63.6/oz after holding above $62/oz. The move is constructive and confirms that momentum remains firmly on the upside, although the pace of the rally has become stretched after several consecutive sessions of gains. A sustained hold above $63/oz would keep the door open for another test higher, while a break back below $62/oz would suggest buyers are starting to reduce exposure.

Overall, precious metals remain well supported by the weaker dollar and softer labour-market signal, but the rates response is the key risk. The payrolls miss helped trigger the move, but the rebound in yields shows investors are not fully convinced that the Fed will shift quickly towards cuts.

All price data is from 07.08.2026 as of 17:30