Sucden Financial

Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Senior Research Analyst

WED 12 AUGUST 2026   07:30

DAILY BASE METALS REPORT

CPI Risk Checks the Rally

Summary

- Equities softened ahead of CPI as yields held near 4.7% and the dollar stayed below 99.9.
- Aluminium and lead held firmer, while copper lacked follow-through and nickel remained weak.
- Gold and silver eased from highs, with tomorrow's CPI likely to decide whether the pullback deepens.

Macro

US stocks fell after the opening as investors turned more cautious ahead of tomorrow's CPI release. DXY fluctuated below 99.9, while the US 10-year yield hovered around 4.7%, showing that the Treasury market is still reluctant to price a clear dovish shift despite last week's softer payrolls print.

Tomorrow's CPI is now the key risk event. With equities still extended, a hotter-than-expected print could trigger a sharper sell-off by reviving expectations of further Fed tightening. Even if inflation comes in softer, we do not expect markets to fully price out the risk of another hike, as the ongoing Middle East conflict keeps energy-driven inflation risks firmly in play.

US-Iran tensions remain unresolved, and the market continues to price a geopolitical premium into crude. Brent traded around $83.5/bbl and WTI near $78/bbl, with uncertainty around the Strait of Hormuz still preventing a cleaner decline in oil.

Base Metals

Base metals were mixed, with aluminium and lead holding the strongest tone while copper, zinc, tin and nickel struggled to extend.

Aluminium pushed towards $3,365/t and continues to build a cleaner upward structure, although the market is now approaching levels where we would expect resistance unless a fresh supply-risk catalyst emerges. Lead also improved towards $1,910/t, but the move remains relatively narrow and needs to hold above $1,900/t to suggest a more durable recovery.

Copper traded around $14,155/t and remained broadly supported above $14,100/t, but the lack of follow-through above $14,200/t shows that buyers are still hesitant ahead of tomorrow's CPI. Zinc held near $3,734/t after failing to reclaim last week's highs, while tin remained under pressure around $55,700/t, confirming that the earlier rally has lost momentum. Nickel was the weakest metal, slipping towards $16,840/t and staying below $17,000/t, leaving the market exposed to further downside unless buyers return quickly.

Overall, the complex still has some support from the softer dollar, but today's price action was not broad enough to suggest a clean upside extension. Aluminium looks best supported for now, while copper needs to break back above $14,200/t and nickel needs to stabilise before sentiment improves across the wider complex.

Precious Metals and oil

Precious metals eased after the recent sharp rally, with gold slipping towards $4,380/oz and silver falling back below $65/oz. The broader upside structure remains intact, but today's pullback suggests some profit-taking is emerging after last week's breakout. Gold still looks supported above the $4,350/oz area, although a recovery back towards $4,400/oz will likely need a softer CPI print and a clearer move lower in yields.

Silver underperformed, trading around $64.9/oz after failing to hold the recent highs above $66/oz. The move does not yet break the broader trend, but it shows the market is becoming more sensitive to positioning after such a fast rally. We expect dips to remain supported while the dollar stays below 100.0, but a hotter CPI print tomorrow could trigger a deeper correction, particularly if the US 10-year yield pushes further above 4.7%.

All price data is from 11.08.2026 as of 17:30