Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Senior Research Analyst

SAT 22 AUGUST 2026 07:30

DAILY BASE METALS REPORT

Dollar Weakness Lifts Metals

Summary

- US equities rebounded, but yields above 4.7% show Treasury's expanded buybacks have delivered only temporary relief.
- Copper reclaimed $14,200/t and zinc moved above $3,800/t, although stronger follow-through is still needed.
- Gold approached $4,600/oz and silver briefly tested $70/oz as fiscal concerns and dollar weakness supported demand.

Macro

US stocks opened higher in a partial rebound from Thursday's sharp sell-off. The recovery looks tactical, with DXY holding in a narrow range around 98.8 and the US 10-year yield remaining above 4.7%, leaving financial conditions restrictive.

This week's bond-market intervention provided only brief relief. Treasury's expanded long-end buyback plan initially pushed yields lower, but the 10-year has since returned above 4.7%, fully reversing Wednesday's decline. The plan may improve liquidity and limit disorderly moves, but it has not changed the market's concerns around fiscal deficits, inflation and heavy debt supply.

US-Iran tensions remain the main inflation risk. Oil is heading for a second weekly gain, with Brent near $94/bbl, as peace talks remain stalled, Hormuz traffic stays constrained and Washington prepares tougher economic measures against Iran.

Base Metals

Base metals rebounded, led by copper. The metal climbed above $14,200/t, supported by the weaker dollar and broader dip-buying. However, recent LME warehouse inflows have eased the immediate squeeze and reduced support from the nearby backwardation, so copper will need to hold above $14,200/t to sustain the recovery.

Zinc was the strongest performer, rising above $3,800/t, while aluminium recovered towards $3,225/t and nickel reclaimed $17,000/t. Zinc needs to hold above $3,800/t to preserve today's momentum, while aluminium remains below the $3,250–3,260/t area and nickel still needs to clear $17,100/t to confirm that the rebound can extend.

Overall, today's move improved the near-term tone, but stronger follow-through is needed before it develops into a sustained recovery.

Precious Metals and oil

Gold and silver extended their rally on Friday. Spot gold rose towards $4,600/oz, while silver climbed towards $69.5/oz, gaining more than 2% and briefly testing $70/oz. Both metals are heading for a third consecutive weekly gain.

The move was driven by continued dollar weakness, renewed safe-haven demand and growing concern around the US fiscal position after Treasury expanded its long-dated bond buyback programme. Gold advanced despite the US 10-year yield remaining above 4.7%, suggesting the market is increasingly treating the buybacks as evidence of pressure in the Treasury market, which is reinforcing demand for alternative stores of value.

All price data is from 21.08.2026 as of 17:30

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).