Sucden Financial

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DAILY BASE METALS REPORT

# Macro Risk Splits the Metals Complex

## Summary

- US equities were mixed as Nvidia, PCE and Jackson Hole kept investors cautious, while yields remained close to 4.7%.
- Copper and zinc held firm, but aluminium weakened and thin liquidity continued to limit conviction.
- Gold extended its rally above $4,700/oz, while silver stalled below $70/oz as profit-taking emerged.

### Macro

US stocks opened mixed, with the Dow holding firmer while the Nasdaq slipped as investors reduced technology exposure ahead of Nvidia's results. Markets also remained cautious before details of Washington's new sanctions against Iran and Friday's Jackson Hole speech. DXY edged higher but stayed below 99.0, while the US 10-year yield eased slightly yet remained close to 4.7%, confirming that last week's Treasury buyback announcement has not produced a lasting decline in borrowing costs.

This week's key macro test is Wednesday's PCE release. A stronger inflation reading would reinforce the higher-for-longer narrative and could push yields back above 4.7%, while softer data may revive the Treasury rally. Attention then shifts to Fed Chair Kevin Warsh at Jackson Hole on Friday, although the Fed's limited forward guidance leaves scope for another volatile but short-lived market reaction.

US-Iran risk remains the main geopolitical tail risk as Washington prepares broader secondary sanctions and Tehran threatens further restrictions on Gulf oil exports and Hormuz traffic. Oil fell on profit-taking today, but the underlying supply risk remains elevated, leaving markets vulnerable to another energy-led inflation shock.

### Base Metals

Base metals were mixed at the start of the week.

Copper recovered from $14,142/t to trade around $14,250/t, briefly approaching $14,288/t, while zinc held above $3,800/t and traded near $3,833/t. Copper remains supported, but the recent nearby squeeze has unwound and liquidity is still poor, leaving the outright price dependent on a sustained break above $14,280-14,300/t. Zinc's ability to hold above $3,800/t keeps the near-term tone constructive, although today's limited gain suggests momentum is beginning to slow.

Aluminium underperformed, falling from an intraday high near $3,270/t to around $3,220/t. The metal's rejection above $3,260/t leaves the market vulnerable to another test of $3,220/t.

Overall, we expect copper and zinc to remain better supported, but thin liquidity and this week's PCE, Nvidia earnings and Jackson Hole risks could keep gains abrupt and difficult to sustain.

### Precious Metals and oil

Precious metals diverged at the start of the week. Gold rose from an intraday low near $4,652/oz to trade around $4,727/oz, briefly testing $4,738/oz. Renewed US fiscal concerns, uncertainty around Treasury-market credibility and the Dollar Index remaining below 99.0 kept demand firm, despite the US 10-year yield staying close to 4.7%. Gold now needs to hold above $4,700/oz to preserve the stronger tone.

Silver eased to around $69.1/oz after testing $69.9/oz, with prices remaining capped near the psychologically important $70/oz level. The pullback suggests some profit-taking after last week's rally, while technical momentum has become stretched near resistance. We expect silver to remain volatile around $70/oz, with a sustained break needed to extend the rally, while a move below $68.4/oz could set the scene for a deeper correction.

All price data is from 24.08.2026 as of 17:30