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DAILY BASE METALS REPORT

Softer Dollar Reignites Metals

Summary

- Equities advanced as lower yields and yen strength improved risk appetite ahead of payrolls.
- Base metals recovered broadly, with copper above \$14,300/t and zinc above \$3,900/t despite narrower backwardations.
- Gold approached \$4,500/oz and silver exceeded \$67/oz as buyers returned on dollar weakness.

Macro

US stocks opened higher as the recovery in global bonds eased pressure from elevated borrowing costs, while strength across selected technology and software names supported risk appetite. DXY fell below 99.0, partly reflecting a sharp appreciation in the yen as markets increased bets on a BoJ hike this month. Despite speculation following Wednesday's abrupt move, available evidence indicates that Japanese authorities did not intervene again. The US 10-year yield edged lower but remained above 4.7%, leaving the rates environment restrictive ahead of Friday's payrolls report.

US-Iran tensions remain the main constraint. Renewed military exchanges have kept oil above \$95/bbl and raised concerns that a prolonged energy shock could reinforce inflation and increase the likelihood of further Fed tightening. Markets therefore remain caught between softer US labour signals, a more hawkish BoJ outlook and persistent oil-driven inflation risk.

For now, the equity rebound depends on yields remaining contained. Friday's payrolls report will determine whether Treasuries can extend their recovery, although even a softer reading may struggle to produce a full dovish repricing while the Middle East conflict continues to support energy prices.

Base Metals

Base metals recovered as the weaker dollar and modest decline in Treasury yields encouraged buying after Wednesday's sell-off. Copper gained 0.9% to around \$14,343/t, recovering the \$14,300/t level, while zinc rose 1.2% to \$3,910/t. Both metals had been pressured by the renewed US-Iran conflict, higher oil prices, and growing expectations of a September Fed hike. Small warehouse inflows have contributed to some easing in nearby pressure, but cash-to-three-month backwardations remain substantial at around \$68/t in copper and \$138/t in zinc, confirming that physical availability is still tight.

The recovery extended across most of the complex. Aluminium increased to around \$3,308/t, tin rose to \$54,920/t and lead advanced to \$1,906/t. Nickel was the exception, falling to \$16,815/t, which leaves its rebound vulnerable.

Overall, today's move reversed part of Wednesday's macro-driven decline, but sustained gains will require copper to remain above \$14,300/t and zinc above \$3,900/t. Tight spreads should continue to cushion downside, although Friday's payrolls report will determine whether softer yields can provide enough support for the advance to extend.

Precious Metals

Precious metals rallied strongly as the weaker dollar and modest easing in Treasury yields encouraged buyers to return after the recent sell-off.

Gold increased to around \$4,496/oz, recovering above \$4,450/oz after briefly testing \$4,500/oz, while silver rose above \$67.1/oz. The advance accelerated during the US session, although both metals eased slightly from their intraday highs.

All price data is from 03.09.2026 as of 17:30

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