

Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Senior Research Analyst

WED 09 SEPTEMBER 2026 07:30

DAILY BASE METALS REPORT

Copper Breaks Higher as Oil Pressures Risk

Summary

- Higher oil and yields weighed on equities ahead of Friday's US CPI.
- Copper surged above \$14,700/t despite reduced speculative length, while zinc moved above \$4,000/t.
- Gold and silver failed to hold early gains as expectations of restrictive US rates persisted.

Macro

US stocks opened lower as oil prices close to \$100/bbl revived inflation concerns and kept the prospect of a September Fed hike in play. Middle East tensions and the escalating US-Canada trade dispute added to the cautious tone. DXY briefly rose to 99.0 before easing towards 98.8, while the US 10-year yield remained close to 4.8%, leaving financial conditions restrictive.

Brent traded around \$97.8/bbl and WTI near \$92.8/bbl as attacks on Gulf energy infrastructure highlighted the risk of a wider regional conflict. Iran also indicated that an agreement with Oman over management of Strait of Hormuz traffic was close, but this has not yet removed the supply premium. We expect Friday's US CPI to determine whether yields can retreat from current levels.

Base Metals

Copper extended its record-breaking rally, briefly approaching \$14,800/t before settling around \$14,705/t. The strength of the move is not fully explained by conventional positioning data, with reported net length declining across LME and COMEX. Large options exposure around higher December strikes may be generating additional hedging flows as prices rise, although market participants remain uncertain about the dominant driver. We therefore expect volatility to remain elevated, particularly as the cash-to-three-month backwardation continues to narrow despite the surge in the outright price.

The cash-to-three-month backwardation narrowed to around \$35/t, showing that immediate prompt pressure has eased considerably even as the outright price reached new highs. Copper therefore needs to hold above \$14,600/t to preserve the breakout, while a loss of that level could expose the market to a sharper correction given the speed of the recent move.

Zinc traded around \$4,010/t, while its cash-to-three-month backwardation narrowed to approximately \$118/t. Nearby availability remains tight, but the easing spread suggests some of the most acute pressure is passing. Aluminium climbed towards \$3,342/t and nickel recovered to around \$16,840/t, while lead advanced to \$1,911/t. Tin was the exception, falling towards \$54,730/t after failing above \$55,000/t.

Overall, we see copper's rally as more than a straightforward speculative move, but the divergence between

record outright prices, declining net length and narrowing backwardation warrants caution. Copper and zinc could extend if systematic buying persists, although Friday's CPI poses a clear risk through the dollar and yields.

Precious Metals

Gold tested \$4,440/oz but failed to hold the advance, falling back towards \$4,400/oz as yields remained close to 4.8%. The weak response to a softer dollar suggests expectations of prolonged restrictive US policy are still outweighing safe-haven demand. We expect gold to remain capped unless it can establish a sustained move above \$4,440/oz, while a loss of \$4,400/oz could bring recent support back into focus.

Silver briefly touched \$67.00/oz before easing below \$66.50/oz. The metal continues to show stronger relative momentum than gold, but repeated failures around \$67.00/oz point to resistance at current levels. Friday's CPI should provide the next catalyst, with softer inflation needed to reduce yields and support another test higher.

All price data is from 08.09.2026 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).