

Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Senior Research Analyst

THU 24 SEPTEMBER 2026 07:30

DAILY BASE METALS REPORT

Hawkish Fed Narrative Pressures Risk Assets

Summary

- Oil price volatility and hawkish Fed messaging boosted the dollar and US yields.
- Copper led a pullback from resistance, with thinning liquidity and limited conviction keeping the complex sensitive to technical levels and positioning.
- Gold and silver weakened on firmer oil prices and rising yields.

Macro

US stocks opened lower as oil price volatility shaped risk sentiment across markets. WTI gapped lower overnight before regaining momentum to trade at \$91.80/bbl at the time of writing. Meanwhile, the Fed's hawkish hold and subsequent comments from policymakers continued to support the dollar, which strengthened towards 101. In particular, Governor Barr joined other speakers in arguing that further tightening may be needed to return inflation to target. Markets reflected this view by pricing in 37bps of additional tightening by year-end. The move was visible across the Treasury curve, with the 10-year yield breaking above the critical 5.00% threshold to reach 5.07%. We remain sceptical that a second hike will be delivered this year, given the already-restrictive level of interest rates and the limited ability of further tightening to bring inflation back to target while the conflict remains in place. Nevertheless, firm policymaker rhetoric continues to support both the dollar and Treasury yields.

September PMIs pointed to improving resilience in the US, with the composite index rising to 58.4, its highest level since July 2021. This contrasted with the UK, where weaker-than-expected activity weighed on domestic assets.

Base Metals

Today's tone was weaker across the base metals complex, with copper leading a move lower after testing above the \$14,800/t resistance level. The failure to hold above this area prompted some profit-taking, as participants appear increasingly hesitant to extend fresh longs at current valuations. However, the decline remained contained and volumes were subdued, suggesting that selling pressure lacks strong conviction for now.

With the upcoming Chinese holidays also likely to reduce market participation, liquidity should thin further, particularly during overnight trading hours. This leaves the complex vulnerable to sharper short-term moves on relatively modest flows, even if underlying directional conviction remains limited. For us, this creates a difficult near-term environment: resistance is capping upside momentum, but the lack of aggressive selling and still-supportive fundamentals are preventing a cleaner downside trend. Price action is therefore likely to remain choppy and increasingly sensitive to technical levels and positioning as liquidity deteriorates.

The rest of the complex followed suit. Nickel failed to hold yesterday's high of \$16,640/t and fell to \$16,480/t.

Aluminium was initially softer but subsequently recovered, ending the session in line with the opening level at \$3,253/t. Zinc also tested the \$3,900/t level but failed to establish a sustained break, settling back at \$3,902/t.

Precious Metals

Precious metals moved lower today as firmer oil prices and rising yields weighed on the complex, with gold and silver falling to \$4,280/oz and \$64/oz, respectively.

All price data is from 23.09.2026 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).