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DAILY BASE METALS REPORT

Markets Catch a Breath as Yield Rally Pauses

Summary

- Lower oil prices helped stabilise bonds and supported equities, but persistent geopolitical risks and hawkish rate expectations continue to underpin US yields and the dollar.
- The complex ended the week largely rangebound amid thin liquidity, with copper holding above \$14,500/t.
- Gold and silver recovered in earlier hours as easing oil prices provided broader market relief.

Macro

Bond markets steadied after the earlier sell-off pushed yields to multi-year highs, as the rally in oil prices lost momentum. WTI edged lower to \$92/bbl with reports that US and Iranian negotiators were exploring a phased agreement to reopen the Strait of Hormuz. The S&P 500 gained, supported by an early rally in chipmakers. The dollar snapped a five-day run of gains and fell back below 101, while the yen outperformed its major peers.

Although lower oil prices provided some respite, geopolitical tensions and still-elevated energy costs are likely to sustain the hawkish narrative beyond this week. Markets are currently pricing in 36bps of tightening by year-end and 100bps over the next 12 months, providing firm fundamental support for longer-dated US yields and the dollar. As a result, any shift in sentiment is unlikely to fully reverse this week's gains in either market.

Base Metals

Base metals closed the week on a cautious footing, with only minor intraday fluctuations keeping most of the complex within recent ranges. Thinner liquidity and the absence of a strong directional catalyst continue to leave investors hesitant to commit aggressively either way. Nearby spreads also eased across most metals today, providing limited fundamental impetus for a renewed upside move. Zinc remains the main exception, with cash-to-three-month spreads still backwardated by more than \$100/t, helping keep prices comparatively resilient above \$3,900/t. Copper meanwhile continued to hold above \$14,500/t, reinforcing this area as near-term support, but with limited appetite to extend longs towards fresh highs, price action remained contained. Aluminium held around \$3,250/t, while nickel weakened back below \$16,300/t.

For next week, we expect the complex to remain relatively range-bound but vulnerable to sharper short-term moves as liquidity thins further around the Chinese holidays. With most nearby spreads providing only moderate degree of support, outright prices will likely become increasingly dependent on positioning, technical levels and any fresh macro catalyst. Copper's \$14,500/t support and \$14,800/t resistance remain the key boundaries to watch, while zinc should retain a firmer bias for as long as its pronounced backwardation persists.

Precious Metals

Precious metals paused from yesterday's weakness as lower oil prices offered some respite across markets. Gold rose to test \$4,300/oz, while silver advanced to \$65/oz before finishing the day unchanged.

All price data is from 25.09.2026 as of 17:30

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