



## Monthly Report – January 2026



For once, base and precious metals were not at the helm of peak commodity performers in **January**. It was a change in investment more rather than tables turning on financial markets and once more, Political decisions influenced heavily the global sentiment.

Energy was the winner with US action taking a effect after long lasting threats and menaces. **Trump first threatened Iran and the following day operation *Absolute Resolve* kidnapped Nicolas Maduro from Caracas.** WTI and Brent prices gained over 14% along the month, Natural Gas was the overall winner as extreme cold in the US pushed prices higher with a 40% increase followed by the same price on the European contract.

Apart from the politically sensitive energy basket, other commodities such as base and precious metals had spectacular rises, caused in part by favourable exchange rates against the US dollar.

*“The dollar index rebounded sharply after the U.S. launched a military operation in Venezuela, capturing President Maduro. But expectations of continued Fed rate cuts—combined with rising tariff uncertainty and severe debt burdens—soon eroded confidence in the U.S. economy, pushing the dollar lower again from mid-January. Investors moved out of Treasuries and into gold, leading to a mild upward drift in yields... Trump officially announced on January 30 that he would nominate Kevin Warsh as Chair of the Federal Reserve. Although Warsh holds a more hawkish stance, market expectations for a Fed rate cut in June this year still remain above 60%.”* (ICBC Standard Bank)

While the US presidency is doing its own show with all the fanfare, China is moving pieces on the chess board in silence. Already in September 2024 the Asian powerhouse shorted about 100 billion against the greenback moving cash to its hedge funds.

More recently the **dollar index started to lose its strength duck diving below 100 points already in November and landing hard on its late January's and multi-year rock bottom of 96.** *“Chinese speculators have driven a rally in global metals prices due to ample cash and fewer investment options. The People's Bank of China is being forced to prop up sluggish growth, with the M2 measure of money supply expanding faster than nominal gross domestic product. International prices of base and precious metals, heavily tied to demand in China, surged last month. Copper, gold, and silver hit record highs, with activity on Chinese futures markets soaring. Duncan Wrigley, Chief China Economist at Pantheon Macroeconomics Ltd., noted a rise in short-term trading volumes for metals like silver, copper, aluminum, and nickel due to surplus liquidity and limited investment options... The People's Bank of China has ensured ample liquidity and lower interest rates but struggles to create attractive real-economy investment options. This has driven financial market speculation, with metals prices remaining near record highs despite weak real-world demand. Factories reliant on metals have scaled back purchases due to high costs. Speculative fervor is fueled by \$7 trillion in time deposits maturing this year, with limited investment options. Precious metals like gold and silver have become attractive due to meager bank deposit rates, subdued bond yields, and a struggling real estate market. Gold, in particular, holds cultural significance in China as a store of value and household savings. The number of onshore financial products invested in gold more than doubled by the end of 2025, with the value of gold investments increasing eightfold to 243 billion yuan. However, this remains small compared to China's total financial products market, estimated at 180 trillion yuan.”* (Bloomberg)

Another key aspect marking a completely different approach between the 1<sup>st</sup> and 2<sup>nd</sup> economic global power is controls and limits to speculation. The US are fuelling investments on financial markets with exponentially bigger and bigger bubbles, last of which linked to AI, not to mention that the Trump family started its own cryptocurrency.



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On the other hand, China is strengthening restrictions on electronic trading; already in 2024 and last year tighter measures were taken on short-selling banning securities re-lending and raising margin requirements. Recently *“China’s ‘necessary’ asset-tokenisation **ban targets scams and capital flight**, analysts say Beijing’s clampdown aims to help safeguard financial security and monetary sovereignty while leaving room for regulated fintech innovation in Hong Kong”* (South China Morning Post). Cryptocurrencies ended January at their lowest mark in one year.

Moreover, the new Five-Year Plan *“reveal a **country preparing for a prolonged period of complexity by strengthening the quality of its economic base and tightening the link between innovation and real-world transformation**. This planning cycle is less about acceleration and more about reengineering the vehicle itself. High-quality development is framed not as an ambition but as a necessity: to secure growth in a population-adjusting economy, to navigate intensifying geopolitical realities and to reach the mid-century modernization goals already set in motion. If the 14th Five-Year Plan was about cushioning shocks after a turbulent decade, the **15th Five-Year Plan aims to position China for resilience and leadership in a global landscape** that will almost certainly become more contested and technology-driven.”* (World Economic Forum)

The other effect of rising commodity prices was the business-related flip of the coin.

Instead of new projects and mining operations, the main news was about conglomerate consolidation, almost in an oligarchy fashion with the big guys becoming enormous. As described in previous commentaries, regardless increasing metal prices, big companies prefer paying dividends rather than CAPEX investments.

Anglo American announced fusion project with Canadian copper miner Teck. Also, Aluminium Corporation of *“China (Chinalco) and Rio Tinto agreed to acquire a controlling stake in Companhia Brasileira de Aluminio for 4.69 billion reais (\$903.61 million)”* (Reuters)

But the best one, although the merger had quite the hiccup and is not yet done, is the one between two giants Glencore and Rio Tinto in *“**a potential deal that would have created the world’s largest mining company with a market value of more than \$200 billion**. The companies said they failed to reach an agreement on the key terms, which included Anglo-Australian mining giant Rio Tinto retaining both the chairman and chief executive roles and pro forma ownership of the combined group. **A takeover of London-listed trader and miner Glencore by Rio Tinto would have catapulted the combined company to the top of the copper-mining industry.**”* (WSJ)

Optimism was contagious as the bullish feeling spread across investors also for the next year, Reuters’ price outlook is particularly generous on Copper and Tin.

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	2026 MEDIAN \$ PRICES			2027 MEDIAN \$ PRICES		
	NEW	Oct	Diff	NEW	2026 forecast	Diff
ALUMINIUM	2.946,00	2.678,80	<b>9,97%</b>	2.946,10	2.946,00	<b>0,00%</b>
COPPER	11.975,00	10.500,00	<b>14,05%</b>	11.994,00	11.975,00	<b>0,16%</b>
LEAD	2.042,00	2.050,00	<b>-0,39%</b>	2.100,00	2.042,00	<b>2,84%</b>
NICKEL	15.987,50	15.755,00	<b>1,48%</b>	16.062,50	15.987,50	<b>0,47%</b>
TIN	39.612,50	34.688,00	<b>14,20%</b>	38.062,50	39.612,50	<b>-3,91%</b>
ZINC	2.976,00	2.838,00	<b>4,86%</b>	2.866,00	2.976,00	<b>-3,70%</b>

For a closer range statistic, here is how metals performed in January:

	HIGH	LOW
COPPER	\$14.527,5 on 29 <sup>TH</sup>	\$12.290 on 9 <sup>TH</sup>
ZINC	\$3.575,5 on 29 <sup>TH</sup>	\$3.115 on 2 <sup>ND</sup>
NICKEL	\$19.160 on 26 <sup>TH</sup>	\$16.680 on 2 <sup>ND</sup>
TIN	\$59.040 on 30 <sup>TH</sup>	\$40.180 on 2 <sup>ND</sup>

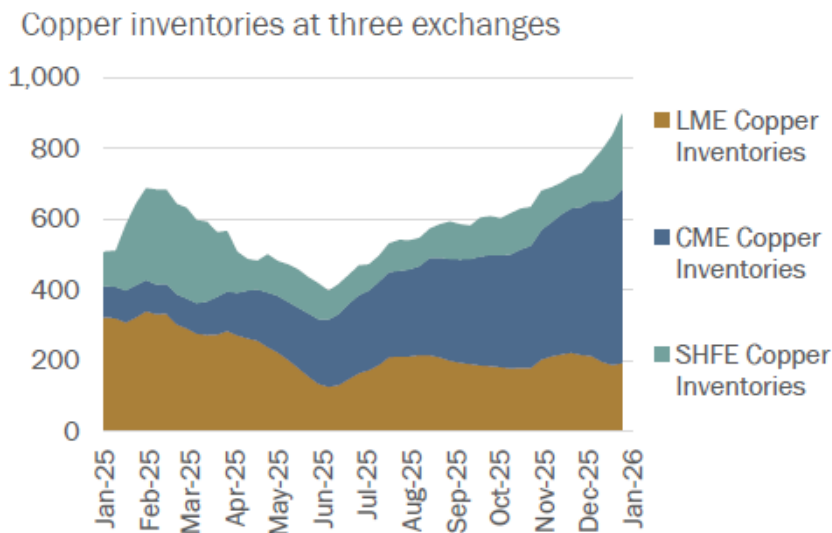
*“Analysts have boosted their consensus **2026 price forecast for copper above \$11,000** for the first time after the market surged to all-time highs, but are wary about speculative excess and expect prices to average well below the peaks, a Reuters poll shows. Benchmark copper on the London Metal Exchange hit an **all-time high above \$14,000** per metric ton on Thursday (29<sup>TH</sup> NDR), fuelled by speculators in the wake of mine disruptions that may cause shortages.*

*Copper, used in power and construction and often seen as a barometer of the global economy with applications in data centres for artificial intelligence and global clean energy transition, rose 42% last year and has gained 12% so far in January. But some investors worry that industrial demand may weaken.*

*The median forecast is the highest annual consensus ever in a Reuters poll and the first time above the \$11,000 mark, according to Reuters data. With worries about mine disruptions, such as at the world's second-biggest copper mine, Grasberg in Indonesia, analysts boosted their consensus forecast of a market deficit this year to 238,500 tons from 150,000 tons in the previous poll. They expect the deficit to decline in 2027 to 116,000 tons.” (Reuters)*

The fundamentals’ worry of deficit and disruptions for copper soon showed its vagueness as just another argument to justify the excessive speculation. China’s demand is sluggish and if there ever was a worry about physical bottlenecks then how do you explain the historic global inventories at almost 1 million tons?

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Source: Bloomberg

*“Copper’s record one-day surge has ignited a broader base metals rally, driven by dollar weakness, aggressive positioning in China, and forced short-covering. But with fundamentals still fragile and the Dollar Index at a key inflection point, is this the start of a new metals super-cycle—or a blow-off top?” (MIC)*

Great market positions moved across January as we reached the third Wednesday prompt with Cash to 3 Months Spreads moving rapidly **from flat to almost 100\$ backwardation and falling rapidly to 100\$ contango** in the last week of trading.

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**Zinc** *“posted a strong start to the year, extending a nine-month upward trend driven by persistent supply tightness. The front-month contract finished January at a three-year high just above \$3,400/MT. In terms of fundamentals, falling refined production (-2% in 2025) was exacerbated by weather-related disruptions in Australia – responsible for about 9% of global zinc output – as a strong monsoon trough and heavy late-December rains caused severe flooding in early January, damaging rail lines and disrupting zinc export infrastructure in Queensland. **With shipments to China delayed, these logistical setbacks are likely to intensify the already tight supply environment.**” (Societe Generale)*

The last part seems particularly true to Zinc’s physical situation, a narrative which is far from speculative like for its peers. Inventories have fallen consistently in Shanghai warehouses since October from 100.000 to just north of 30.000 tons at the end of January, LME numbers remain unchanged.



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**Nickel** pinballed in January with big intraday moves. Having gained momentum from end of December, prices stayed above 16.500\$ and had an over 2.000\$ differential in the month's highest and lowest mark.

*Nickel fell further from a 19-month high after Indonesia did not provide details on output cuts that had earlier fueled a sharp rally. Three-month futures declined as much as 4.4% on the LME . Prices dropped 3.4% on Wednesday (the 7<sup>TH</sup> NDR), after surging to **\$18,800 a ton, the highest intraday level since June 2024**, as investors had been betting on risks to output in top supplier Indonesia. Indonesia has flagged plans to reduce production this year to better balance supply with demand. **The country's Energy and Mineral Resources Ministry didn't provide any details on this year's nickel mining quota at a Thursday press briefing.** Minister Bahlil Lahadalia said the figures are still being finalized. (Bloomberg)*

Apart from the political news, nickel's availability is robust and inventories at historic highs both on LME and Shanghai locations.

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**Tin** had us accustomed to outperformances but proved us again in January that it always has come hat tricks. *The tin market has kicked off the new year in explosive form, prices racing to all-time nominal highs on both the London and Shanghai markets. **The rally is "unreasonable"**, according to the state-backed China Nonferrous Metals Industry Association (CNMIA). It warned all parties last month to "avoid blindly following the trend". Beijing's admonition hasn't in any way deterred Chinese investors from doing just that and chasing the price ever higher. The volume of trading on the Shanghai Futures Exchange's (ShFE) tin contract SSNc1exceeded a million metric tons on Thursday. That's more than twice the world's annual physical usage. Tin is clearly in a speculative bubble, which will burst just as soon as the trend turns. But the mismatch between the size of the physical market and investment interest foreshadows more volatility ahead. And not just for tin. Given the tidal wave of investor buying washing through the industrial metals sector right now, tin's current toil and trouble may be a harbinger for other metal supply chains.* (Reuters)