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Metals keep shining bright

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GLOBAL equity markets had a good 2025 with most major benchmarks recording double-digit percentage gains. The metal complex, however, outperformed in 2025 and started the year with gold, silver, platinum and copper at record prices.

Gold rose some 77% year-on-year in 2025 and silver was up nearly 143%, the most in percentage since 1979, while non-ferrous industrial metals like copper rose 42% due to US tariffs, geopolitical risk and a weaker US dollar.

Tin was up 40% in 2025 and nickel is up some 30% in the past trading month alone due to supply uncertainty.

Can the metal complex go higher? With macro issues like the fear over the independence of central banks and heightened geopolitical risks leading headlines backed by substantial global capital expenditure of US\$600bil for 2026 in artificial intelligence or AI and sustained demand from renewables and electric vehicle segments for copper, and to a lesser extent silver, means the metal complex has the foundation for another strong year, more so as there are imbalances in supply and demand for some metals.

The weaker US dollar and fear of missing out or Fomo money in exchange-traded funds (ETFs)/products continue to support prices at present, not to mention the 2% to 3% allocation in the complex by global diversified portfolios.

In Malaysia's case, Bursa Malaysia-listed companies like Press Metal Aluminium Holdings Bhd, Alcom Group Bhd, Metrod Holdings Bhd, Malaysia Smelting Corp Bhd (MSC) and gold retailers like Poh Kong Holdings Bhd and Tomei Consolidated Bhd are exposed to metals like gold and to a lesser extent silver, copper, tin and aluminium.

Gold, which many Malaysians hold in some quantity, will likely test higher in the coming months, according to Standard Chartered (StanChart), fuelled by sustained central bank buying and ETF money.

"We expect precious metals

and copper prices to remain at the mercy of tariff headlines and the Section 232 report (by US Department of Commerce) in the near term, with copper and gold set to scale fresh highs in 2026. We expect gold to average US\$4,788 a troy ounce and copper to average US\$12,213 per tonne (US\$10,313 per tonne previously) in 2026," the global banking group states in its Commodities 2026 outlook report.

The bank also expects silver and platinum to set new highs, noting underlying fundamentals will likely play a greater role in sustaining upside price risk for the industrially biased precious metals.

StanChart adds that silver has been driven by exchange-traded products or ETP flows, keeping it vulnerable to volatility in the near term, but an undersupplied market suggests higher highs in the coming months.

It says copper prices remain supported by sustained inflow of inventory to Commodity Exchange Inc or Comex warehouses ahead of a review of the US copper tariff due by June 30 this year. The review could lead to a 15% tariff on previously exempt copper categories like copper ores, concentrates, scrap, cathode and anodes.

US tariffs have led to a significant physical dislocation in the copper market, with diversion of inventory into the United States.

StanChart estimates the volume of copper inventory in Comex warehouses now is more than the combined inventory at the London Metal Exchange or LME and Shanghai Futures Exchange and comprises more than 60% of global copper exchange inventories.

"We have turned more positive on copper price prospects for 2026 given ongoing US copper tariff uncertainty characterising the market and incentivising inventory inflows to Comex warehouses, plus supply challenges and a more supportive macro backdrop. We see the emergence of a tighter market balance with a 386,000-tonne deficit in 2026," StanChart notes.

BMI, a unit of Fitch Solutions, is



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also bullish in copper over the long term but does not see enough tightness in the physical market to justify the current elevation in prices. It expects copper to retreat below US\$12,000 a tonne in the coming months, before rising again in the second half of 2026 (2H26), assuming tariffs on refined copper are announced by the US Commerce Secretary for implementation in 2027.

For companies like Metrod, that only means higher cost and delivery concerns as highlighted in its last quarterly announcement. Others like Tenaga Nasional Bhd could be facing higher prices for its power transmission cables.

Press Metal, which is the largest aluminium smelter in Asean, could however be in a sweet spot to gain from the strong prices for the base metal in 2026.

Aluminium prices breached US\$3,000 a tonne on the first trading day of 2026 lifted by the copper rally and substitution expectations, while supply-side dynamics provide a supportive fundamental backdrop.

StanChart says a number of factors are likely to impact the aluminium market going into the medium to longer term: limited supply growth from China, the application of the Cross Border Adjustment Mechanism or CBAM in the European Union, and securing energy supplies for smelters competing with other energy-intensive industries like AI data centres.

"Despite cost-supportive smelter economics (weak alumina prices and a high metal price, strong regional premia), supply growth in 2026 faces limitations," it adds.

StanChart says the ratio of copper to aluminium prices suggests

increased potential for substitution from copper into aluminium, which bodes well for aluminium demand. It forecast a 2026 average of US\$3,098 a tonne for the metal, with the upward price bias focused in 1H26 (1H26 price average: US\$3,143 a tonne).

BMI adds that supply disruption remains front and centre in the aluminium market. It, however, foresees aluminium prices falling back towards US\$2,600 a tonne as Indonesia ramps up exports, reducing tightness caused by enforcement of by China's 45 million tonnes smelting cap.

The research unit also warns the rally in the tin market is speculative after prices having hit above US\$52,000 a tonne on Jan 15 and a correction could occur as LME tin stocks are at the highest level since March 2024.

Tin price rose almost 40% in 2025 due to disruption at major tin mines in Myanmar and the Democratic Republic of Congo, which remains a key concern for the market.

The sharp price rises in the metal complex have not gone unnoticed by global derivative exchanges, which have moved to ensure an orderly market via their regular review of market conditions and collateral requirements.

The price volatility saw the Chicago Mercantile Exchange Inc or CME this week announce a revision of the calculation methodology for selected precious metals futures contracts margins.

The exchange's clearing house announced margins for gold, silver, platinum and palladium futures contracts will be calculated as a percentage of the contract notional value, instead of using a fixed dollar amount. The move means the initial margin for silver has risen, making it costlier to trade the contract on the CME. Price action could also calm and correct as a result.