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DAILY BASE METALS REPORT

Markets Stabilise on Diplomacy Hopes

Summary

- De-escalation headlines triggered a sharp but fragile relief move, highlighting how sentiment remains driven by perceived rather than confirmed developments.
- Base metals are attempting to stabilise at lower levels, but the lack of strong volumes suggests limited conviction behind the rebound.
- The pullback in oil eased immediate pressure on markets, while precious metals remain highly sensitive to short-term dollar moves

Macro

US equities opened higher, supported by a shift in geopolitical sentiment after President Trump stated that the US and Iran have reached “major points of agreement” and announced a five-day pause on planned strikes against Iranian energy infrastructure.

While Iranian officials denied that any direct negotiations are taking place, markets focused on the signal of de-escalation and reduced near-term supply risk, interpreting the pause as a tactical step towards reopening the Strait of Hormuz.

The dollar briefly moved above 100 before reversing lower, with resistance now emerging around 99.4, while the US 10-year yield climbed towards 4.45% before easing back to around 4.35%. We see this as an early sign of stabilisation in macro conditions, although volatility remains elevated as markets remain highly sensitive to headlines.

Base Metals

Base metals started the session under pressure but rebounded following the shift in macro sentiment, although prices remain near recent lows.

Copper recovered part of last week’s losses, moving back above $12,000/t, but struggled to sustain gains beyond $12,200/t, suggesting that upside momentum remains fragile. The rebound was accompanied by relatively stronger volumes compared to the rest of the complex, reinforcing the view that copper continues to trade primarily as a macro proxy.

Aluminium tested support near $3,200/t, a level that aligns with the initial phase of the geopolitical rally. The market remains in backwardation of around $30/t cash-to-three-month, highlighting continued tightness in physical supply despite recent price weakness.

Zinc failed to hold above $3,100/t, closing around $3,065/t, while nickel remained broadly stable, fluctuating around $17,000/t and finding a near-term equilibrium around $17,070/t.

Volumes across the complex were notably lighter compared to last week's liquidation, suggesting that today's move was more of a macro-driven relief bounce rather than a conviction-led reversal.

Precious Metals

Precious metals saw sharp intraday swings, initially declining before recovering alongside the softer dollar.

Gold dropped towards $4,100/oz early in the session before rebounding to around $4,400/oz, while silver fell below $62/oz before recovering to hold above $68/oz. The price action suggests that bullion remains highly sensitive to currency moves, with weaker dollar dynamics providing near-term support.

Oil prices moved lower as de-escalation hopes reduced the immediate supply risk premium. Brent, which had approached $115/bbl, fell back below $105/bbl, trading around $103/bbl, while WTI declined from above $100/bbl to around $90/bbl.

We see this pullback in oil as a key driver for broader market stabilisation. If diplomatic momentum continues, we expect further easing in energy prices, which could alleviate pressure on yields and support a more sustained recovery across metals. However, with the situation still fluid, markets are likely to remain headline-driven in the near term.

All price data is from 22.03.2026 as of 17:30