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DAILY BASE METALS REPORT

Geopolitical Uncertainty Lingers

Summary

- Markets are entering a consolidation phase, with volatility fading but conviction still limited as geopolitical uncertainty persists.
- Base metals' intraday trading after yesterday's volatility suggests a new price floor is solidifying for the complex.
- Precious metals have stabilised after last week's liquidation, but lower volumes suggest the rebound lacks strong follow-through.

Macro

US equities opened lower, giving back part of the previous session's gains as optimism around a potential de-escalation in the Middle East faded. Despite Trum's signals of progress, continued Iranian strikes reinforced the view that a near-term resolution remains unlikely, keeping geopolitical risk elevated but no longer intensifying at the same pace.

Macro data played a secondary role but pointed to a mixed growth backdrop. Preliminary March PMIs showed manufacturing surprising to the upside in both the US and Eurozone, while services came in softer than expected, albeit still in expansionary territory. The UK followed a similar pattern, with services slightly disappointing but remaining stronger than US readings. Overall, the data suggest that growth remains resilient but is losing some momentum at the margin, particularly in the services sector.

The dollar fluctuated around 99.4, while the US 10-year yield held firm, finding support at 4.35% and trading in a tight 4.35–4.40% range. We see this as a consolidation phase following last week's sharp repricing, with markets waiting for clearer signals on both geopolitics and the inflation outlook.

Base Metals

Base metals posted a moderate recovery today, with previous lows holding as firm support. Trading volumes were relatively quiet during the European morning, followed by a more active session once US markets opened. Notably, aluminium volumes spiked higher in the late afternoon as markets attempted to breach the \$3,260/t resistance level, with both speculative players injecting both volume and volatility.

Additionally, the volume spikes occurred on upward moves, suggesting the period of aggressive selling pressure may be over and that mean-reversion strategies could now begin to influence price discovery.

The COT data supports this, showing retail investors were the main drivers of last week's position liquidations, likely to finance trades in other assets, including energy. As prices appear to be stabilising at current support levels, this may indicate the worst of the weakness is now over and that markets are likely to cautiously re-enter

and push prices higher in the near term.

Meanwhile, copper traded around \$12,110/t, while aluminium ended the day slightly above \$3,250/t. Lead and zinc remained below their respective critical levels of \$1,900/t and \$3,100/t.

Precious Metals

Precious metals stabilised, moving broadly in line with oil as both markets entered a consolidation phase following days of high volatility.

Gold found support near \$4,300/oz and traded back towards \$4,400/oz, while silver held \$66/oz before ranging between \$68–70/oz. Given that yesterday's sharp downside levels were rejected it looks like forced liquidation has largely run its course for now.

However, the rebound lacks conviction. Volumes on COMEX were lower, indicating that investor participation has faded, and that current price action reflects stabilisation without renewed buying interest.

Oil prices remained relatively stable, with WTI around \$92.5/bbl and Brent near \$104.2/bbl. The lack of further upside in oil is helping to anchor metals, but at the same time, the absence of a clear decline means inflation concerns and yield pressure remain in place.

Looking ahead, we see precious metals at an inflection point. If oil continues to ease and the dollar softens, a recovery could build, supported by last week's rejection of lows. However, if yields remain elevated and geopolitical tensions persist without resolution, upside is likely to remain capped, with metals continuing to trade in a volatile but broadly rangebound environment.

All price data is from 24.03.2026 as of 17:30

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