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DAILY BASE METALS REPORT

Oil Reasserts Dominance

Summary

- Markets remain sensitive to geopolitical headlines, with dollar strength and rising yields reflecting persistent inflation concerns.
- Base metals are holding steady after recent volatility, but low volumes point to a lack of conviction and limited directional clarity.
- Oil continues to anchor the macro narrative, while precious metals remain under pressure as energy absorbs safe-haven flows.

Macro

US equities opened lower, with sentiment once again turning cautious as markets struggled to sustain the tentative stabilisation seen earlier in the week. The Middle East conflict remains unresolved, with continued strikes and no meaningful progress on reopening the Strait of Hormuz, keeping the risk premium in energy markets firmly intact.

The dollar strengthened towards 100.0, while the US 10-year yield rebounded towards 4.4%, reversing part of the recent easing. The broader macro environment continues to be defined by uncertainty around the duration of the conflict and its impact on inflation expectations.

Base Metals

Base metals were mostly rangebound, with subdued price action and low volumes, suggesting limited conviction despite increased macro noise.

Aluminium and zinc outperformed, reflecting their greater sensitivity to potential supply disruptions in the event of further escalation. Aluminium briefly touched \$3,300/t before easing to find support around \$3,260/t, while remaining in backwardation of around \$50/t cash-to-three-month, signalling continued physical tightness.

Zinc moved higher to test \$3,120/t before stabilising near \$3,080/t, while copper traded in a relatively narrow \$12,100–12,280/t range, and nickel consolidated around \$17,250/t.

Overall, we see the complex in a holding pattern, with metals reacting selectively to geopolitical risk but lacking broader momentum. The muted volumes reinforce the view that markets are waiting for a clearer macro signal before committing to a directional move.

Precious Metals

Precious metals came under renewed pressure, with gold slipping back below \$4,400/oz and silver falling under

\$68/oz. The move reflects a continued preference for oil as the primary geopolitical hedge.

Reports around potential central bank selling, including flows linked to Turkey, have added to short-term pressure, although we do not yet see evidence of a broader structural shift in official sector demand. For now, gold appears to be taking a backseat to energy markets, with investors favouring more direct exposure to the geopolitical shock.

Oil prices moved higher again, with Brent approaching \$109/bbl and WTI around \$95/bbl at the time of writing. With no clear de-escalation and continued disruptions across the region, we see the energy risk premium remaining elevated, keeping oil as the dominant driver of cross-asset sentiment.

All price data is from 26.03.2026 as of 17:30

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