



Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Senior Research Analyst

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DAILY BASE METALS REPORT

Gold Rises, but Oil Still Calls the Shots

Summary

- Markets remain under pressure as elevated yields and persistent geopolitical risk reinforce the view of a prolonged energy-driven inflation shock.
- Base metals continue to trade without clear direction, with macro headwinds offsetting underlying physical tightness and limiting follow-through on moves.
- Oil is reasserting its dominance in driving cross-asset sentiment, while precious metals track yields and remain capped as energy absorbs the primary risk premium.

Macro

US equities opened lower, hovering near their weakest levels since September 2025, as markets continue to struggle with a combination of elevated yields and persistent geopolitical uncertainty. The Middle East conflict remains unresolved, with continued strikes and limited progress on restoring energy flows through the Strait of Hormuz. The lack of de-escalation is increasingly being priced as a prolonged disruption, keeping risk appetite subdued.

The dollar strengthened back above 100.0, while the US 10-year yield briefly rose to 4.48% before easing towards 4.42%. We see this intraday reversal as reflecting ongoing uncertainty around inflation expectations, with oil pushing higher, while markets continue to adjust to the sharp energy-driven repricing following last week's escalation.

Base Metals

Base metals remained largely rangebound, with price action continuing to reflect low conviction and selective positioning rather than directional flows.

Aluminium fluctuated throughout the session, with low volumes on dips and stronger selling interest near \$3,300/t, where prices were rejected. This level sits around 5% above pre-conflict levels, suggesting that a residual geopolitical premium remains embedded despite earlier unwind. This is occurring alongside a further widening in backwardation, with cash-to-three-month spread above \$60/t, highlighting ongoing physical tightness even as price momentum stalls. Zinc showed a similar pattern, finding buying interest below \$3,080/t but facing resistance around \$3,120/t, reinforcing the rangebound nature of the market.

Copper traded sideways around \$12,200/t, while nickel held near \$17,200/t, with little follow-through in either direction.

Overall, we see the complex struggling to establish a clear trend, with macro signals offsetting still-supportive

physical structures in parts of the market.

Precious Metals

Precious metals rebounded, moving in strong inverse correlation with US yields. As the 10-year yield eased from intraday highs, gold climbed back towards \$4,550/oz, recovering much of Thursday's losses, while silver moved in tandem, rising back above \$70/oz.

Positioning dynamics were also evident, with COMEX activity rolling from April into June, where volumes picked up during the afternoon rally. Oil prices pushed higher again, with Brent moving back above \$110/bbl and WTI approaching \$100/bbl.

The renewed strength reflects the market's growing acceptance that disruptions to Gulf energy infrastructure and shipping routes may persist, keeping the risk premium elevated. We see this dynamic as key: oil remains the dominant driver of cross-asset behaviour, with its strength sustaining inflation concerns and influencing both yields and metals. For precious metals, the outlook remains balanced, supported by any easing in yields but capped as long as energy markets continue to absorb the primary geopolitical bid.

All price data is from 27.03.2026 as of 17:30

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