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DAILY BASE METALS REPORT

Markets Trade Headlines as Trump Signals Drive Volatility

Summary

- Markets are pricing de-escalation despite limited confirmation, leaving positioning vulnerable to reversal.
- Base metals are supported by a softer dollar and supply risks, but resistance levels continue to cap upside.
- Gold is rallying on macro drivers, with gains tied to dollar weakness and easing oil.

Macro

US equities opened higher, extending Tuesday's gains, as markets continued to respond positively to renewed signals from President Trump that a resolution to the Middle East conflict could be approaching. While messaging remains inconsistent, with no confirmed ceasefire and continued reports of sporadic strikes, markets are increasingly trading the narrative of de-escalation rather than the underlying reality.

This shift in sentiment was reflected across macro assets. Oil prices moved lower, with WTI falling below \$100/bbl and Brent around \$102/bbl, as part of the geopolitical risk premium was unwound. The dollar weakened below 99.5, suggesting that some of the earlier risk-driven strength is now being reversed, with scope for further downside towards 99.0 if de-escalation expectations persist.

At the same time, the US 10-year yield hovered below 4.3%, reinforcing the idea that markets are beginning to reassess the inflation outlook as energy prices ease.

Markets are clearly reacting to the positive headlines, which makes the setup fragile. If those expectations are challenged or escalation resumes, we could see a sharp move back in the opposite direction, especially given how quickly positioning has shifted towards a resolution scenario.

Base Metals

Base metals moved higher, supported by the softer dollar and improving risk sentiment, while still reflecting underlying supply concerns.

Aluminium approached \$3,550/t once again, with the cash-to-three-month backwardation widening to around \$70/t, signalling a tightening physical market. This comes as Emirates Global Aluminium halted operations at its Al Taweelah smelter following the weekend Iranian attack, reinforcing the link between geopolitical developments and supply risk.

Zinc strengthened to test \$3,300/t, where it encountered significant selling interest, suggesting that while upside momentum is present, higher levels continue to attract resistance.

Copper opened higher before settling into a range around \$12,400/t, supported by the softer dollar. The price action reinforces the view that copper remains rangebound but biased to macro flows, with currency movements continuing to play a key role.

Overall, we see the complex holding firm, with improving macro conditions supporting prices, while supply-side risks continue to underpin selected metals.

Precious Metals

Precious metals had a strong session, benefiting from the combination of a weaker dollar and easing oil prices.

Gold rose towards \$4,800/oz, while silver moved higher towards \$76/oz, with both metals gaining as macro conditions shifted. The move highlights a change in dynamics. Throughout the conflict, gold has traded more like a macro-sensitive asset, and in the current environment it continues to behave closer to a risk asset than a traditional safe haven.

As long as optimism around a resolution persists, we expect continued support for metals and pressure on the dollar and oil. However, the risk remains skewed, as any change in the narrative could quickly bring volatility back across asset classes.

All price data is from 01.04.2026 as of 17:30

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