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DAILY BASE METALS REPORT

Relief Rally Meets Reality Check

Summary

- De escalation hopes are priced, but yields and FX signal lingering doubt.
- Backwardation and tight stocks support select contracts, not the whole complex.
- Gold and silver benefit from uncertainty; oil's pullback looks fragile if Hormuz progress stalls.

Macro

US equities opened slightly firmer, with the S&P and Nasdaq extending into fresh record territory as investors lean into tentative de escalation headlines. The dollar held below 98.0 but failed to test 97.8, suggesting limited conviction behind the softer tone. With relative growth outside the US still lagging and the US Iran conflict unresolved, it's unclear that dollar weakness can be sustained. Brent slipped back below \$100/bbl toward \$98 as markets price progress on Hormuz, though any delay or breakdown in reopening the strait could quickly re inflate the risk premium. Treasuries showed similar hesitation: the 10y yield dipped toward 4.30% before rebounding above 4.36%, underlining uncertainty around how smooth the path really is from here.

Base metals

Price action was calmer after Wednesday's volatility.

Copper hovered around \$13,400/t. Aluminium remained rangebound and undecided around the \$3,500/t handle, with cash to 3s backwardation holding near \$50. Nickel retraced its recent gains, briefly slipping below \$19,000 before settling around \$19,120/t. Zinc outperformed, touching \$3,460/t as LME stocks fell to their lowest level this year at 94,425t. Lead tested \$1,990/t before easing back toward \$1,980/t, while the cash to 3s flipped into a modest \$3 backwardation.

Precious metals and oil

Precious metals led the complex. Gold pushed above \$4,750/oz but stalled, with conviction still lacking given the uncertain dollar and rates outlook. Silver reached \$82/oz and also ran into resistance at that level.

Without a clear and durable turn lower in yields or the dollar, upside looks supported but incremental.

All price data is from 07.05.2026 as of 17:30

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