

Authors

Viktoria Kuszak
Senior Research Analyst

Daria Efanova
Head of Research

WED 13 MAY 2026 07:30

DAILY BASE METALS REPORT

Macro Heat Checks the Rally

Summary

- Hot CPI and higher oil pushed yields and the dollar higher, pressuring risk appetite.
- Base metals held firm despite macro pressure, with copper and zinc testing fresh highs.
- Gold stayed rangebound, while silver's dip-buying keeps the upside structure intact.

Macro

US equities opened lower as markets reacted to a hotter April CPI print, stronger oil and another rise in Treasury yields. Headline CPI rose to 3.8% YoY, above expectations, while core CPI also came in firmer than forecast, reinforcing concerns that energy driven inflation is feeding into broader price pressures. This pushed the dollar higher through the session, with DXY rising toward 98.5, while the US 10 year yield moved above 4.4%, close to the highest levels seen this year.

Oil added to the pressure, with Brent close to \$108/bbl and WTI around \$102/bbl as the US and Iran negotiation path deteriorated further. President Trump said the ceasefire was on "life support" after rejecting Iran's latest response, keeping the Strait of Hormuz risk firmly priced into energy markets. We expect risk appetite to remain fragile while yields and oil move higher together, as this combination tightens financial conditions and makes it harder for equities to extend last week's record run.

Base metals

Despite the stronger dollar, base metals held up well, suggesting that momentum and metal specific tightness are still offsetting some of the macro pressure.

Copper breached \$14,000/t and briefly touched \$14,100/t before meeting selling pressure. The break is technically constructive, but the rejection near the highs shows that profit taking is starting to emerge after several strong sessions. We see the next signal coming from whether copper can hold above \$14,000/t; failure to do so would point to a short term exhaustion move.

Zinc surged again, breaching \$3,500/t and meeting resistance around \$3,540/t. The jump in volume alongside the move higher suggests that new buying entered the market once resistance gave way, likely a mix of momentum buying and stop driven flows. For confirmation, zinc now needs to hold above the former range; otherwise, the move risks becoming another sharp but short lived spike.

Lead also moved higher, climbing toward \$2,000/t, while the cash-to-three month spread returned to backwardation at around \$7. This points to a firmer nearby structure and suggests that short term availability has tightened again.

Aluminium was more muted, trading rangebound and capped near \$3,580/t, although the cash-to-three-month backwardation widened toward \$70/t. We expect aluminium to remain supported by the spread, but price momentum still needs a clear break above \$3,580/t to confirm a stronger move.

Precious metals and oil

Precious metals came under pressure from higher yields and a stronger dollar. Gold softened but remains within its recent range, with selling still appearing above \$4,750/oz and buying interest returning below \$4,650/oz. This suggests the market is balanced for now, with geopolitical risk supporting dips while higher real yields cap rallies. We expect gold to stay rangebound unless the dollar breaks higher or yields extend further.

Silver briefly dropped below \$84/oz but managed to recover, which suggests buyers are still active on dips and that the move lower has not yet confirmed a deeper reversal. The recovery is constructive, but silver now needs to hold back above \$84/oz to keep the upward structure intact. If yields continue to rise, we expect upside to become more selective, with volatility likely to remain elevated after the recent sharp gains.

All price data is from 12.05.2026 as of 17:30

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).