

Authors

Viktoria Kuszak
Senior Research Analyst

Daria Efanova
Head of Research

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DAILY BASE METALS REPORT

Inflation Pressure Tightens as Metals Defy the Dollar

Summary

- Hot PPI, higher yields and firm oil are keeping macro pressure firmly in place.
- Base metals are still trading on momentum, with aluminium and copper needing to hold breakout levels.
- Gold remains rangebound, while silver continues to lead the precious complex higher.

Macro

US equities opened lower as markets digested another inflation shock, with April PPI rising well above expectations after yesterday's hotter CPI print. The move reinforced the view that higher energy costs linked to the US-Iran conflict are feeding into broader price pressures, pushing the dollar higher toward 98.5 and sending the US 10-year yield briefly close to 4.5%, the highest level since last summer.

Oil remains the key macro pressure point. Brent is still holding around \$106/bbl, while WTI is near \$102/bbl, as markets continue to price restricted flows through the Strait of Hormuz and fading hopes of a quick US-Iran resolution. We expect risk appetite to stay fragile while oil, yields and the dollar move higher together, as this combination tightens financial conditions and keeps the Fed firmly on hold.

Base metals

Base metals held up well despite the stronger dollar, suggesting that momentum and metal-specific tightness are still dominating the complex. Aluminium was the strongest performer, rising sharply through the session and closing around \$3,665/t. The move accelerated once prices cleared the recent \$3,580/t cap, with volumes also picking up on the break. We see this as a constructive signal, but after such a strong move, futures now need to hold above \$3,620/t to confirm the breakout and not fade back into the old range.

Copper also extended gains, trading above \$14,100/t and holding near the highs after breaking through the \$14,000/t area. The rally is becoming stretched after several consecutive strong sessions. We expect dips to remain supported while copper holds above \$14,000/t.

Zinc continued to trade firmly above \$3,500/t but struggled to extend much beyond the \$3,550/t area. The move higher remains supported by momentum, but the inability to push decisively above resistance suggests that buyers are becoming more selective.

Lead also climbed toward \$2,010/t, with the return to backwardation pointing to firmer nearby conditions. Nickel recovered from yesterday's sharp sell-off, moving back toward \$19,200/t, but the market still looks vulnerable

after repeated failures near \$19,600-20,000/t.

Precious metals and oil

Precious metals were mixed as higher yields and a stronger dollar capped gold, while silver continued to outperform. Gold remained rangebound around \$4,700/oz, with rallies still meeting selling interest above \$4,750/oz and dips below \$4,650/oz attracting buyers. We see this range holding for now unless yields break materially higher, in which case gold could retest the lower end of the range.

Silver was the standout again, pushing toward \$89/oz and extending its outperformance versus gold. The recovery from yesterday's dip suggests that buyers remain active and that the upward structure is still intact. We expect silver to remain supported while it holds above \$86/oz, although the pace of the move leaves the market exposed to sharp intraday pullbacks if the dollar strengthens further.

All price data is from 13.05.2026 as of 17:30

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