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DAILY BASE METALS REPORT

Rates Shock Breaks the Metals Rally

Summary

- Higher oil and yields pushed the dollar above 99.0, forcing a risk-off reset across equities.
- Base metals reversed sharply as profit-taking accelerated, with copper losing the key \$14,000/t level.
- Gold and silver broke lower as real-rate pressure overwhelmed.

Macro

US equities opened lower as the recent AI-led rally stalled under pressure from higher yields, stronger oil and ongoing inflation concerns.

Treasury yields moved sharply higher, with the 10-year approaching 4.6%, while markets continued to price out rate cuts and increasingly considered the risk of further tightening after this week's hot CPI and PPI prints. The dollar surged above 99.0, supported by higher US yields and safe-haven demand as the US-China summit ended without a major breakthrough on Iran. Oil also moved higher, with Brent close to \$110/bbl and WTI near \$105/bbl, as the Strait of Hormuz remains effectively restricted and Trump signalled limited patience with Tehran.

We expect risk appetite to remain fragile while oil, yields and the dollar move higher together, as this combination keeps financial conditions tight and weighs particularly on high-growth equities.

Base metals

Base metals sold off sharply as the risk-off sentiment triggered broad profit-taking after the recent rally.

Copper lost momentum decisively, falling through \$14,000/t and then extending lower toward \$13,550/t. The break below \$14,000/t shifts the near-term focus from continuation to damage control. In order to stabilise, copper now needs to reclaim the former breakout area quickly, otherwise we see scope for a deeper retracement toward the earlier support zone around \$13,350–13,400/t.

Aluminium also reversed, falling back toward \$3,560/t after failing to build above \$3,660/t. The move suggests that even with tight nearby structure, macro pressure is now strong enough to force liquidation.

Nickel dropped below \$18,500/t, lead fell back toward \$1,980/t, zinc softened toward \$3,530/t and tin saw the heaviest decline, sliding sharply toward \$52,200/t.

We expect metals to remain vulnerable into next week unless the dollar stabilises, although any renewed tightening in spreads could help cushion aluminium and lead relative to the rest of the complex.

Precious metals and oil

Precious metals were hit hard by the stronger dollar and the jump in yields.

Gold broke below its recent range, falling toward \$4,550/oz after repeated failures to hold above \$4,700/oz. This confirms that higher real-rate pressure is now dominating geopolitical support. We expect gold to struggle unless yields retreat; from here, \$4,500/oz becomes the next key area to watch, while a recovery back above \$4,650/oz would be needed to repair the short-term structure.

Silver saw the sharper move, dropping from above \$83/oz to around \$76.5/oz. The scale of the fall suggests a position unwind after the recent strong outperformance, rather than just a normal pullback. We see volatility staying elevated, with silver needing to regain \$80/oz to stabilise sentiment; until then, rallies risk being sold into.

All price data is from 15.05.2026 as of 17:30

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