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DAILY BASE METALS REPORT

Rates Relief Sparks a Tactical Rebound

Summary

- Falling yields and softer oil triggered a relief move across risk assets, but macro uncertainty remains elevated.
- Copper is attempting to stabilise above \$13,600/t, though momentum remains fragile below \$13,650/t.
- Gold and silver rebounds are holding for now, but direction still hinges on yields and the dollar.

Macro

US equities rebounded at the open, stabilising after a few sessions of yield-driven weakness, as markets reacted to easing rates and softer oil. The 10-year yield, which had surged to fresh cycle highs near 4.7%, dropped back below 4.5%, while the dollar index retreated from around 99.5 to 99.0 into the European afternoon.

The move lower in yields and the dollar appears driven by a partial unwind of the recent bond sell-off, with some stabilisation in inflation expectations following the sharp rise in rates over the past week. Markets are also positioning ahead of key event risk, including Nvidia earnings and the FOMC minutes, which prompted a more cautious tone after aggressive repricing of rate expectations.

At the same time, oil prices eased, with Brent falling back toward \$106/bbl and WTI slipping below \$100/bbl. The decline reflects tentative optimism on geopolitics after Trump confirmed he had called off a planned military strike on Iran, citing ongoing negotiations toward a potential deal. However, the broader geopolitical environment remains fragile. The Strait of Hormuz continues to operate under severe disruption, and markets remain highly sensitive to any shift in the US–Iran negotiations.

We see today's move as more of a relief rally than a structural shift. For a more sustained improvement in risk sentiment, markets still need either a clearer de-escalation in the Middle East or a more durable retracement in yields.

Base metals

Base metals rebounded following last week's sharp correction, supported by the softer dollar and lower yields. The move higher looks more technical than structural, with markets reacting to easing macro pressure.

Copper pushed back above \$13,600/t, but struggled to sustain gains beyond \$13,650/t. We see dip buying emerging around \$13,400–13,500/t, but momentum remains fragile. To confirm a stronger recovery, copper would need a sustained move back above \$13,700/t.

Aluminium moved higher above \$3,620/t, benefitting from the softer macro environment. The cash-to-three-

month backwardation narrowed slightly to around \$50/t, still indicating tight nearby conditions.

Nickel failed to break through \$19,000/t, closing around \$18,930/t. The rejection at this level reinforces it as near-term resistance, with the recovery lacking follow-through after last week's liquidation.

Across the complex, we expect metals to remain rangebound in the near term, with the dollar and yields continuing to drive direction.

Precious metals and oil

Precious metals rebounded as yields eased and the dollar softened, providing the first relief after last week's heavy selling.

Gold recovered above \$4,500/oz, trading toward \$4,525/oz. Price action suggests some stabilisation around the \$4,450–4,500/oz area following the sharp sell-off, but the rebound remains tentative. We see \$4,550–4,600/oz as the key resistance zone, with a break above needed to talk about stabilisation.

Silver also bounced, reclaiming \$75/oz but struggled to hold above \$76/oz. The move follows last week's sharp decline from near \$88/oz, with current trading indicating a more volatile consolidation phase. We expect silver to remain more sensitive to broader risk sentiment, with further upside dependent on continued easing in yields and the dollar.

Overall, we see the rebound in precious metals as driven by macro relief. Sustained upside would require a more decisive move lower in real yields.

All price data is from 20.05.2026 as of 17:30

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