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DAILY BASE METALS REPORT

Geopolitical Risk Continues to Shape Markets

Summary

- Hopes for an Iran peace deal led to a sharp drop in oil prices
- Base metals saw compressed price action; aluminium and copper weakened but remained resilient
- Precious metals weakened on strong selling pressure and technical factors

Macro

US equities opened on a cautious note today, holding on to record highs as markets focused more on AI-driven trades than geopolitics. Hopes for a deal to end the conflict in Iran pushed oil lower, following reports of an unofficial draft for an interim peace deal between two nations, which led to a sharp correction back to \$90/bbl. On the macro front, there have been few updates elsewhere, with no major releases today. The main focus is on tomorrow's US PCE and GDP figures, expected to show stickier inflation and stable growth.

Base Metals

Aluminium declined alongside oil as markets priced out part of the geopolitical risk premium embedded across conflict-sensitive assets, briefly pushing the metal toward the \$3,620/t support level before recovering slightly to around \$3,640/t. Copper also continued to trade largely on macro-driven flows, maintaining its correlation with precious metals. The key difference, however, is that the scale of price action has moderated noticeably, with intraday swings becoming increasingly compressed compared with the early stages of the conflict-driven rally.

Still, copper's ability to hold the \$13,600/t floor intact suggests the market remains resilient, with limited appetite to press the downside aggressively. To us, this suggests positioning is becoming more balanced rather than outright bearish, helping keep copper elevated.

Nickel fluctuated between \$18,800/t and \$19,000/t, suggesting these two levels are technically significant in the current market. Zinc and lead were muted, trading at \$3,523/t and \$2,004/t at the time of writing.

Precious Metals

Precious metals weakened sharply today, even before hopes of peace talks emerged, with selling pressure intensifying as participants breached key support levels—\$4,460/oz for gold and \$76/oz for silver. The subsequent oil drop failed to reverse these losses, suggesting markets were technically positioned for weakness.

Gold tested and rejected prices below \$4,400/t—a March low—indicating we could see a mean-reversion strategy back up to \$4,500/t in the near term, absent any geopolitical developments. Since silver's decline did not breach new lows, its technical recovery may be less prominent.

All price data is from 27.05.2026 as of 17:30

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