

Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Senior Research Analyst

FRI 29 MAY 2026 07:30

DAILY BASE METALS REPORT

US-Iran Truce Hopes Stir Markets

Summary

- US-Iran ceasefire hopes injected volatility into conflict-sensitive markets, driving equities to yet another record high.
- Aluminium weakened on the headline, while copper strengthened as it acted as a negative correlator to oil; however, the overall price range remained constrained.
- Precious metals recouped earlier losses on risk-off sentiment; however, the optimism was short-lived.

Macro

Hopes for a deal between Iran and the US pushed stocks to new record highs, with market optimism prompting an afternoon rally as oil dropped to \$89/bbl. Negotiators reached an agreement on a 60-day memorandum of understanding to extend the ceasefire; however, the lack of final approval dampened aggressive risk-off sentiment.

Earlier in the day, macro data showed that oil price shocks are beginning to impact consumers. US consumer spending rose by 0.1% MoM in April, while prices strengthened by 3.8% YoY—both in line with expectations—pushing the savings rate to an almost four-year low. These figures suggest that the US economy, once seen as relatively insulated from oil pricing pressures, is now feeling the effects on the consumer side. The inflation data will likely pressure Fed policymakers and incoming Chair Warsh to consider interest rate hikes. Following the announcement, forward swaps are now pricing in a slightly higher chance of a hike by year-end.

The dollar dropped back to 99.00 as the 10-year US Treasury yield weakened to 4.46%

Base Metals

Base metals opened the day on a muted footing, extending yesterday's technically driven stabilisation. However, renewed headlines pointing to a potential truce once again disrupted market sentiment, weighing more heavily on aluminium, copper, and zinc through the afternoon session. Copper and zinc later pared part of the earlier weakness, recovering to \$13,677/t and \$3,560/t respectively, while aluminium briefly dropped to test the nearby \$3,620/t support level before recovering back to \$3,660/t.

As has been the case repeatedly in recent sessions, the absence of any official confirmation between both sides meant the reaction proved sharp but ultimately short-lived, leaving broader day-on-day ranges largely intact. In our view, macro- and supply-sensitive metals such as copper and aluminium are likely to continue exhibiting the fastest reaction function to geopolitical headlines, largely through systematic and technically driven positioning flows. However, without a definitive resolution to the conflict, follow-through conviction is likely to remain limited, keeping price action contained within established ranges.

Should a more concrete resolution begin to emerge, we would expect market participation and directional conviction to strengthen materially. In that scenario, aluminium could come under greater downside pressure as supply disruption concerns are priced out more aggressively, while copper and zinc may find relative support through improving macro sentiment and a softer oil-linked inflation backdrop.

Precious Metals

Precious metals started on the back foot, continuing the recent bearish trend. However, ceasefire hopes reversed the day's weakness, prompting gold and silver to end the day unchanged.

All price data is from 28.05.2026 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).