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DAILY BASE METALS REPORT

Base Metals Push Higher, Precious Still Constrained

Summary

- AI is still carrying equities, but the macro environment remains restrictive.
- Copper and aluminium remain the best-supported metals, helped by tariffs and tight nearby structure.
- Gold and silver are trapped in ranges because yields are still too high to let them properly recover.

Macro

US equities stayed close to record highs because the market is still being carried by AI leadership, with chips and tech outperforming again while broader macro signals remain only mildly supportive. Today's JOLTS print was stronger than expected at 7.618m, which reinforces the view that US labour demand is still holding up and helps explain why rates are not dropping more materially. The dollar hovered around 99.1 and the 10-year held near 4.45%, so the macro picture has not really changed: financial conditions are still restrictive, just less aggressively so than in mid-May.

Elsewhere, euro area core CPI rose to 2.5%, underlining that inflation remains sticky and that the expected easing in price pressures is being interrupted by the Middle East crisis.

The market is treating the US-Iran conflict as less acute but not finished. Trump says talks are moving at a rapid pace, while Rubio says a deal could come soon, but Hormuz, Lebanon and nuclear conditions are still unresolved. That is why oil has eased from the highs but is not collapsing. We see the endgame as increasingly priced in, but not fully secured, so rates are unlikely to fall sharply unless the deal is actually signed.

Base Metals

Base metals strengthened.

Copper briefly traded above \$14,050/t and held close to \$14,030/t into the close, extending the breakout from the mid-May range. The key point is that this still looks tariff-driven more than positioning-driven. The US refined copper review deadline on 30 June continues to distort flows, with more metal being pulled toward US ports, while COT shows funds reduced net length, which suggests the move is not yet just crowded speculative buying. We see that as supportive near term, but copper now needs to hold the breakout rather than just spike through it.

Aluminium pushed to \$3,787/t, found resistance, and closed back below \$3,760/t. With the cash-to-three-month spread still above \$100 backwardation, the structure remains the main support.

Elsewhere, lead's late move to \$2,045/t on volume looks more like a positioning squeeze than a fundamental re-rating, while nickel once again failed near \$19,400/t and zinc kept grinding higher toward \$3,650/t. We expect copper and aluminium to stay best supported, with nickel still the least convincing on rallies.

Precious Metals

Gold stayed rangebound around \$4,500/oz and silver failed again to hold gains above \$76/oz. The rise in Treasury yields since the start of the war is still capping upside, and the softer geopolitical risk premium is taking away one of the recent supports for the complex. We see no strong catalyst for precious metals to break higher while the dollar stays near 99 and the 10-year holds around 4.45%.

Industrial metals are still benefiting from tariff distortion, tight structure and selective dip-buying, while precious metals are stuck in ranges because rates remain too high for them to properly flourish.

All price data is from 02.06.2026 as of 17:30

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