Sucden Financial

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MON 08 JUNE 2026 07:30

DAILY BASE METALS REPORT

Strong Payrolls Reset the Rate Narrative

Summary

- Strong payrolls pushed the dollar close to 100.0 and lifted the US 10-year yield back above 4.5%, reviving the higher-for-longer rates view.
- Base metals sold off, with copper near $13,520/t.
- Precious metals stayed under pressure, with higher yields and a firmer dollar continuing to cap gold and silver.

Macro

US equities lost momentum on Friday as a stronger-than-expected payrolls report pushed the market back towards a higher-for-longer rates view, while semiconductors remained under pressure after this week's earnings disappointments. Nonfarm payrolls rose by 172,000 in May, well above the 85,000 consensus, which was enough to revive hawkish Fed pricing and knock some of the shine off the recent record-high rally.

The dollar surged back towards 100.0 and the US 10-year yield moved above 4.5%, reinforcing the message that markets still see little room for policy easing while labour demand remains firm. Oil eased, with Brent falling towards $94-95/bbl and WTI towards $91-92/bbl, but that move reflected operational reassurance out of Oman more than any genuine resolution in the Middle East.

Base Metals

Base metals turned lower once the dollar and yields moved higher.

Copper dropped back towards $13,520/t, aluminium fell below $3,600/t, and zinc softened to around $3,530/t, reflecting a broader macro-led pullback across the complex. Reuters reported the same pattern in LME trade, with copper under pressure from fading peace hopes and renewed inflation concerns, while aluminium, zinc and lead also moved lower.

We still see copper as better supported than the rest of the complex because tariff-related distortion and tighter visible inventory outside the US remain supportive, but today's move showed that macro can still dominate in the short term. We expect rallies across base metals to remain vulnerable while the dollar stays firm and the market keeps pricing restrictive policy.

Precious Metals

Precious metals also came under pressure. Gold fell as stronger payrolls pushed yields higher and increased the cost of carry, while silver underperformed again as the stronger dollar and firmer rates cut through the complex. Gold fell towards $4,400/oz and silver came down to around $70.9/oz after the payrolls release reinforced expectations that the Fed will keep rates higher for longer.

We expect precious metals to stay defensive unless yields retreat again. Gold still needs a clearer move lower in rates to stabilise, while silver remains the more volatile leg of the complex and is likely to stay more exposed to sharp reversals while the dollar remains firm.

All price data is from 05.06.2026 as of 17:30