

Authors

Daria Efanova
Head of Research

Viktoria Kuszak
Senior Research Analyst

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DAILY BASE METALS REPORT

Waiting for Warsh

Summary

- Markets stayed cautious ahead of Warsh, even with DXY below 99.6, the US 10-year near 4.4% and oil under pressure.
- Base metals remained fragile, with copper capped below \$13,800/t and aluminium still unable to recover.
- Precious metals held firm overall, but silver again failed to keep hold of the \$71/oz area.

Macro

US stocks opened mixed, with the market showing little conviction despite lower oil and softer yields as investors waited for Warsh's guidance before adding fresh risk.

The market base case still looks like a hold at 3.50%–3.75%, with the key issue being the tone of the statement and press conference rather than the rate decision itself. We believe that the most likely outcome is cautious and data-dependent, not openly dovish.

China added a weaker growth signal, with May retail sales down 0.6% YoY, fixed-asset investment down 4.1% YTD, and industrial production up 4.5%, which reinforces the demand weakness story even as supply holds up.

DXY fell below 99.6, the US 10-year moved lower towards 4.4%, and oil stayed under pressure, with WTI below \$77/bbl and Brent around \$79.5/bbl. Our base case remains that lower energy should keep easing the inflation pulse into the Fed, even if the market stays cautious on guidance.

Base Metals

Base metals were mixed and lacked follow-through.

Copper traded in a narrow range and again failed to hold above \$13,800/t, which suggests the market is still not ready to build a cleaner upside move.

Aluminium also remained under pressure after Monday's plunge, holding a tight \$3,350–3,400/t range and failing to recover, while the cash-to-three-month spread at around \$25 contango points to a looser nearby structure.

Lead was firmer and broke back above \$1,980/t, but zinc softened into the close around \$3,565/t.

Overall, the complex still looks selective and fragile, with copper contained, aluminium struggling and zinc losing momentum after the recent overdone move.

Precious Metals

Precious metals consolidated at higher levels, with the market waiting for Warsh's guidance to decide whether lower oil and softer yields are enough to support a clearer direction.

Gold hovered around \$4,325/oz, while silver tested \$71/oz but failed to hold it and slipped back below \$70/oz. Gold still looks steadier than silver here, while silver remains the more fragile leg of the complex.

All price data is from 16.06.2026 as of 17:30

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