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DAILY BASE METALS REPORT

Zinc Leads, Copper Holds Ground

Summary

- US equities remain near record highs as softer payrolls support sentiment, while the dollar rebounds above 101 and yields hold just below 4.5%.
- Zinc outperforms and approaches \$3,600/t on continued nearby tightness, while copper reclaims \$13,400/t but struggles to attract follow-through buying.
- Gold and silver consolidate last week's gains, with the stronger dollar pausing momentum but not reversing the constructive outlook.

Macro

US equities opened near record highs, with sentiment remaining supported by last week's softer payrolls report and continued optimism around AI-related earnings. The dollar rebounded back above 101, while the US 10-year yield remained broadly unchanged just below 4.5%, suggesting markets are still reluctant to fully price out the possibility of further Fed tightening despite signs of slower labour market momentum. Oil prices were broadly stable, with Brent holding near pre-conflict levels as supply concerns continued to ease.

Base Metals

Base metals traded quietly, with activity lighter than last week. Zinc was the clear outperformer, rising steadily throughout the session to approach \$3,600/t and its highest level since 22 June. The move appears consistent with the tightening nearby structure that has developed over recent sessions, with the cash-to-three-month spread remaining in a backwardation of around \$20/t. We highlighted on Friday that the recent strengthening in zinc was being supported by renewed nearby tightness and that further spread squeezes could pull outright prices higher.

Copper also strengthened, reclaiming \$13,400/t and closing above its major moving averages. However, the move lacked follow-through, with prices repeatedly struggling to build momentum above that level. This reinforces our view that copper remains well supported, but conviction is still insufficient for a sustained move towards the top of the recent \$13,200-13,500/t range.

Elsewhere, price action was more subdued. Aluminium recovered towards \$3,120/t but struggled to reclaim the level on a closing basis, suggesting buyers remain cautious despite signs that downside momentum is fading. Nickel pushed back above \$16,400/t and lead stabilised around \$1,890/t, with both markets continuing to hold within their recent ranges as participants wait for a clearer directional signal.

Precious Metals

Precious metals consolidated after last week's recovery, with the stronger dollar limiting further upside. Gold

briefly traded above \$4,160/oz before easing back towards \$4,150/oz, leaving prices comfortably above the levels seen before Thursday's payrolls release. While momentum has slowed, the metal continues to hold the gains generated by the repricing of Fed expectations, suggesting recent buying has been more than short-covering alone.

Silver also paused after last week's surge, trading back towards \$61.8/oz after failing to hold above \$62/oz. Despite the modest pullback, the metal remains close to its highest levels since the recent washout and continues to outperform gold on a relative basis. We continue to view the precious metals complex as constructive, with a weaker Fed outlook still providing support, though today's price action suggests markets may need a fresh catalyst before attempting another leg higher.

All price data is from 06.07.2026 as of 17:30

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