



Monday, June 15, 2026

Base metals experienced heightened volatility during the week, with copper witnessing sharp swings as markets reacted to rapidly changing U.S.-Iran developments and uncertainty surrounding potential U.S. copper import tariffs. Inflation concerns, interest rate expectations, and mixed demand signals from China further amplified price movements. While copper and aluminium came under pressure for much of the week, supply-side dynamics and improving geopolitical sentiment helped limit losses.

Copper prices declined through much of the week as stronger-than-expected U.S. labor market data reinforced expectations that the Federal Reserve may maintain a restrictive policy stance or consider further rate increases. Rising inflation concerns, supported by stronger U.S. Producer Price Index (PPI) readings, strengthened the U.S. dollar and weighed on industrial metals sentiment.

Geopolitical developments in the Middle East emerged as a key driver of market volatility. Escalating tensions between the United States, Iran, and Israel initially raised fears of higher energy prices, persistent inflation, and slower global economic growth, prompting risk-off sentiment across commodity markets. Market sentiment shifted multiple times as reports emerged of military actions, diplomatic efforts, the cancellation of planned strikes, and eventually news of a peace agreement between the United States and Iran. These developments contributed to sharp fluctuations in copper prices throughout the week as traders reassessed risks to global growth and inflation.

From a demand perspective, signals from China remained mixed. On the positive side, Chinese exports surged 19.4% year-on-year in May to a record level, supported by strong demand for artificial intelligence-related technologies and renewable energy products. In addition, China's plans to invest approximately 2 trillion yuan in data center infrastructure over the next five years continued to support the long-term outlook for copper consumption.

Commodity	Copper	Aluminum	Zinc
Open	1335	377.55	364.1
Close	1335.35	375.25	368.80
Change	-0.80	-9.15	3.80
% Change	-0.06%	-2.38%	1.04%
Open Int.	15568	3124	2544
Change	-1328	-502	-83
Pivot	1334.6	375.4	367.5
Resistance	1341.7	377.9	370.8
Support	1328.3	372.7	365.5

However, near-term demand indicators softened. Imports of unwrought copper and copper products during the first five months of the year fell 7% compared to the same period last year. The Yangshan copper premium, a closely watched indicator of Chinese appetite for imported copper, declined to a five-week low of approximately \$64 per tonne, reflecting weaker import demand. Seasonal factors also contributed to softer sentiment, as June is traditionally a weaker period for industrial metals consumption due to slower construction activity and reduced demand growth.

Despite broader market weakness, speculation surrounding potential U.S. import tariffs emerged as one of the key drivers of copper market volatility. Anticipation of recommendations from the U.S. Department of Commerce by the end of June maintained a significant premium for COMEX copper relative to the LME benchmark. The premium continued to attract large volumes of metal into the United States, driving COMEX inventories to record highs approaching 600,000 tonnes, while inventories on the London Metal Exchange and Shanghai Futures Exchange continued to decline. The resulting distortion in global inventory distribution tightened supplies outside the U.S. and contributed to heightened price fluctuations throughout the week.

Aluminium prices also retreated during the week after reaching multi-year highs, with profit-taking and concerns over global demand weighing on prices. Chinese aluminium exports remained strong, with May exports rising 5.7% year-on-year and cumulative exports for the first five months up 10.4%. Increased Chinese exports helped offset supply disruptions from the Gulf region and reduced concerns about severe global shortages.

Looking ahead, market attention is shifting toward the upcoming U.S. Federal Reserve policy meeting under Chairman Kevin Warsh, where rates are widely expected to remain unchanged.

Investors will also closely monitor developments surrounding the U.S. copper tariff review and the evolving U.S.-Iran situation, both of which have become major near-term drivers of copper market sentiment and volatility, alongside Chinese demand indicators and Federal Reserve policy expectations.

Copper is expected to remain supported and trade in a sideways to positive range following optimism around US-Iran peace agreement, however any fallout may trigger volatility in prices. Aluminium is also expected to trade with a negative bias for the week following opening of Strait of Hormuz and added Chinese capacity in market.

LME Inventory Weekly Market Data				
Commodity	Copper	Nickel	Aluminum	Zinc
Open	376775	274218	330950	110650
Close	364100	274938	319925	107750
Change	-12675	720	-11025	-2900
% Change	-3.36%	0.26%	-3.33%	-2.62%

Source: Reuters

SHFE Inventory Weekly Market Data				
Commodity	Copper	Nickel	Aluminum	Zinc
Open	169512	86558	524491	155762
Close	188247	93148	528885	156797
Change	18735	6590	4394	1035
% Change	11.05%	7.61%	0.84%	0.66%

Source: Reuters

LME Cash-3M Spread Weekly Data				
Commodity	Copper	Nickel	Aluminum	Zinc
Open	-29.18	-220.93	-2.24	-19.75
Close	-52.67	-215.6	1.75	-5.99
Change	-23.49	5.33	3.99	13.76
% Change	80.50%	-2.41%	-178.13%	-69.67%

Source: Reuters

Technical Outlook

In the last week, copper gave a negative close by -0.06% with the prices bouncing back sharply from its support level. Prices have now started to hover around the 20 SMA on the daily chart. The 14- period Relative Strength Index (RSI) is trading above midpoint 50 mark, signalling market strength. It is likely to trade in a sideways to higher range, testing 1370 towards upside as long as it sustains above 1305 level.

In the last week, zinc gave a positive close by 1%. Prices are witnessing a corrective fall from the recent highs indicating profit booking. It is also trading around 20 day SMA level. There is a possibility for it to trade with a neutral bias in a broader consolidation. Any decisive break below 360 level might initiate a fresh selling. Immediate support can be identified at Rs. 350 mark whereas resistance is observed at Rs. 377.

In the last week, aluminium prices closed on a negative note by -2.38%. The 14- period Relative Strength Index (RSI) is trading below midpoint 50 mark indicating negative momentum. It is also trading below 20 day SMA level. Selling on rise is suggested as lower high & lower low setup remains intact. There is a possibility for the prices to trade in sideways to lower range suggesting neutral to negative bias. Any directional move below 360 level on the lower side could lead to decline in the prices targeting 350 towards downside.



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