



Monday, June 22, 2026

Base metals traded in a volatile environment during the week, with market sentiment shaped primarily by uncertainty surrounding the U.S.-Iran peace process, evolving expectations for U.S. monetary policy, and ongoing speculation regarding potential U.S. copper import tariffs. While geopolitical headlines drove short-term price swings, underlying supply conditions remained supportive for several metals, particularly copper and zinc.

Developments surrounding negotiations between the United States and Iran remained the dominant market theme throughout the week. Conflicting signals regarding the progress of peace talks created uncertainty across commodity markets, influencing risk appetite, energy prices, and inflation expectations. Rather than responding to a single outcome, markets were forced to continuously reassess the likelihood of a lasting resolution and its implications for global economic activity. This uncertainty contributed to sharp fluctuations across industrial metals, with copper proving especially sensitive to changes in broader market sentiment.

At the same time, monetary policy remained an important consideration for investors. Federal Reserve maintained a cautious stance on inflation, reinforcing expectations that interest rates could remain elevated for longer than previously anticipated. Higher inflation forecasts and a stronger U.S. dollar acted as headwinds for industrial metals throughout the week, limiting the ability of prices to sustain gains despite periodic improvements in risk sentiment.

Copper prices ultimately came under pressure, although losses were moderated by increasingly supportive physical market fundamentals. Uncertainty surrounding potential U.S. tariffs on refined copper imports continued to reshape global trade flows and remained one of the most closely watched developments in the market. Expectations of potential trade measures have maintained

Commodity	Copper	Aluminum	Zinc
Open	1334.15	357.55	368.3
Close	1321.8	356.90	370.70
Change	-13.55	-18.35	1.90
% Change	-1.01%	-4.89%	0.52%
Open Int.	14368	2066	2091
Change	-1200	-1058	-453
Pivot	1325.5	356.7	369.6
Resistance	1330.5	358.8	373.0
Support	1316.8	354.8	367.4

a significant premium for COMEX copper relative to LME prices, encouraging metal flows into the United States while tightening availability in other regions. These distortions have contributed to elevated volatility and reinforced concerns about supply availability outside the U.S.

Beyond tariff-related factors, supply fundamentals remained constructive. Copper concentrate availability continues to tighten, with treatment charges falling to fresh record lows and highlighting persistent feedstock shortages within the smelting sector. Exchange inventories also provided evidence of a tighter physical market, with LME copper stocks recording notable withdrawals during the week. As a result, despite weaker macroeconomic sentiment and seasonal softness in demand, copper prices continued to find support from supply-side constraints.

Aluminium markets were driven largely by changing perceptions regarding global supply availability. Easing concerns over disruptions from the Gulf region improved confidence in the outlook for aluminium exports and logistics, reducing fears of an immediate supply shortage. At the same time, strong Chinese export volumes and rapidly rising inventories on the Shanghai Futures Exchange pointed to improving supply availability. These factors weighed on aluminium prices after their recent rally and encouraged profit-taking across the market.

However, aluminium's underlying physical market remained relatively firm. By the end of the week, nearby LME spreads had strengthened, with cash prices moving into a premium over forward contracts. This suggested that while supply concerns have eased compared to recent weeks, physical availability remains tighter than futures market pricing initially implied.

Zinc continued to outperform many of its base metal peers, remaining near multi-year highs. Supply disruptions at major operations in Kazakhstan and Peru reinforced concerns over near-term availability and provided additional support to prices. The combination of constrained supply and improving market sentiment helped sustain strength in the zinc market despite broader macroeconomic uncertainty.

Looking ahead, attention will remain focused on three key themes: developments in U.S.-Iran negotiations, outcome of potential U.S. copper tariff measures, and evolving expectations for Federal Reserve policy. While these factors are likely to continue driving short-term volatility, underlying physical fundamentals across several metals remain constructive. Tightening copper concentrate supplies, declining inventories outside the United States, and ongoing disruptions in select metals markets suggest that supply-side factors could continue to provide support even amid an uncertain macroeconomic backdrop.

LME Inventory Weekly Market Data				
Commodity	Copper	Nickel	Aluminum	Zinc
Open	361600	274932	319500	107150
Close	349225	276192	313800	123450
Change	-12375	1260	-5700	16300
% Change	-3.42%	0.46%	-1.78%	15.21%

Source: Reuters

SHFE Inventory Weekly Market Data				
Commodity	Copper	Nickel	Aluminum	Zinc
Open	188247	93148	528885	156797
Close	143875	93955	527345	154868
Change	-44372	807	-1540	-1929
% Change	-23.57%	0.87%	-0.29%	-1.23%

Source: Reuters

LME Cash-3M Spread Weekly Data				
Commodity	Copper	Nickel	Aluminum	Zinc
Open	-52.67	-215.6	-2.24	-5.99
Close	-68.38	-184.97	3.72	-2.91
Change	-15.71	30.63	5.96	3.08
% Change	29.83%	-14.21%	-266.07%	-51.42%

Source: Reuters

Technical Outlook

In the last week, copper gave a negative close by -0.92% 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 dwelling around midpoint 50 mark, signalling a range bound market. It is likely to remain sideways in a broader range Rs. 1350 – Rs. 1300.

In the last week, zinc gave a negative close by 0.62%. Prices are witnessing a corrective fall from the recent highs indicating profit booking. It is also trading around 20 day SMA level. The 14 period RSI is trading above midpoint 50 mark suggesting positive strength in the momentum. There is a possibility for it to trade with a neutral to positive bias in a broader consolidation. Immediate support can be identified at Rs. 360 mark whereas resistance is observed at Rs. 377.

In the last week, aluminium prices closed on a negative note by -4.64%. The 14- period Relative Strength Index (RSI) is signalling negative divergence leading to a fall in the prices. It is also trading below 20 day SMA level. Selling on rise is suggested as prices are failing to hold on the higher side. There is a possibility for the prices to trade in sideways to lower range suggesting neutral to negative bias. The overall view remains bearish till it holds below Rs. 370 level with view targeting Rs. 350 on the lower side.



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