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metal&amp;ROCK | Europe

# Copper: Fundamentals Improving?

Copper is trading near all-time highs, but rising mine disruptions and tightening feedstock for China's refined output are tightening supply, while the US and China are both pulling in metal. The US tariff decision is a key risk event, but until then we think dips will be increasingly short-lived.

## Key Takeaways

- Supply side challenges bring fundamental support to the copper market.
- Copper continues to flow to the US while China is also pulling in metal amid restocking and constrained domestic refined output.
- The COMEX-LME spread is back in focus, with the upcoming refined copper tariff decision expected to be a key price driver this year.

**Copper fundamentals are improving, both for supply...** After major incidents at Grasberg and Kamoakakula drove recorded disruptions to ~1.5 Mt in 2025, mine supply has continued to disappoint this year. Further downgrades by Freeport and Ivanhoe, combined with reduced guidance from Cochilco, have brought YTD disruptions to ~450 kt. China's refined copper output slowed in April, with further downside risks ahead with both concentrate and scrap supply constrained.

**And demand...** Strong US imports have continued YTD - we estimate excess arrivals of 260 kt YTD (2.6% of global demand when annualised). The arb has widened again recently as the US copper tariff decision looms, further increasing the incentive to ship metal to the US. China's net refined imports hit the highest level since Sept, driven by restocking and slower refined production. The Yanshan premium has risen in May and the import arb has opened periodically, so arrivals could continue.

**But US tariff decision and China price sensitivity remain key risks:** The Secretary of Commerce will deliver a report on the copper market to the President by 30 June, with a decision on tariffs for 2027 expected in 2H. A decision to impose tariffs would be bullish for 2H26, pulling metal to the US ahead of 2027 implementation. However, if tariffs aren't imposed, excess imports would cease and copper prices would likely fall, highlighting the binary risks. With copper near all-time highs, China buying may slow too, with semis orders already slowing in May. This may cap upside.

**MS Outlook: Buy on dips:** Copper is already trading near all time highs and net longs on COMEX are at a record level. However, with supply disruptions rising, US imports expected to stay strong for now and signs that China is restocking on dips, any pullbacks in copper are likely to be short-lived in our view. The US tariff decision remains key, but the current COMEX-LME spread should be attracting metal. A decision to raise tariffs could accelerate the move higher.

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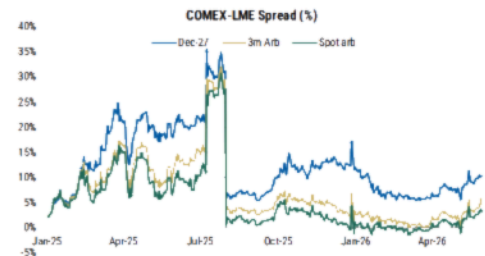
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**Exhibit 1 :** The COMEX-LME spread has widened again in May ahead of the US decision on refined copper tariffs



Source: Bloomberg

Freeport McMoRan and Ivanhoe Mines are covered by Carlos de Alba

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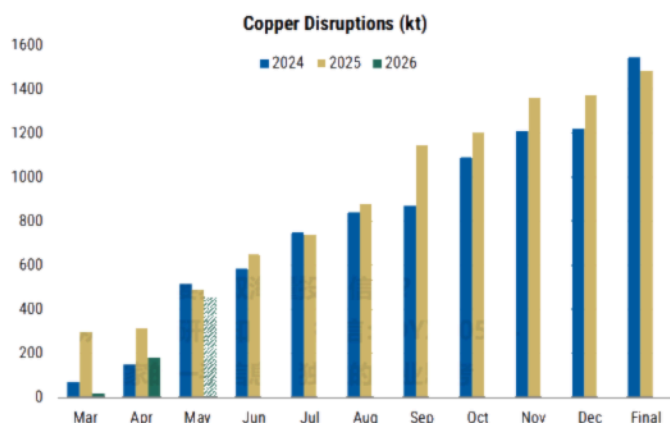
# Copper: Fundamentals Improving

## Copper mine supply disruptions continue to accelerate

**Disruptions trending higher:** Copper mine disruptions have been elevated in recent years with disruptions in 2024 and 2025 reaching 1.55 Mt and 1.49 Mt respectively, both over 6% of initial forecast production versus a historical average of 5%, according to Wood Mackenzie. Last year, supply lost was mostly due to major incidents at Grasberg, Kamoakakula and El Teniente, with ~430 kt removed from our initial forecast across the three operations. With these major incidents spilling over into our 2026 forecasts, we started 2026 with a lower 4.5% disruption allowance for other disruptions. However, with a number of guidance cuts already, there may be upside risk to this estimate.

Freeport and Ivanhoe (both covered by Carlos de Alba) have downgraded guidance at Grasberg and Kamoakakula respectively on slower ramp ups, with the combined cuts removing 226 kt from this year's forecast. However, Freeport has reaffirmed expectations that the mine will resume full production by the end of 2027, despite reports emerging that the full restart had been delayed until 2028. Elsewhere, Cochilco has lowered 2026 guidance for Chile from 5.6 Mt to 5.3 Mt, a 2% drop from reported output in 2025. Guidance for 2027 was also lowered from 5.9 Mt to 5.5 Mt. The downward revision was due to "lower ore grades, scheduled maintenance, operational constraints, and weak performance recorded at the beginning of the year" (Cochilco). Collahuasi in particular is expected to enter a much lower grade phase this year prompting downward revisions from Anglo American in February and Glencore in December.

**Exhibit 2:** Recorded disruptions reached 1.49 Mt in 2025 and further cuts have begun to materialise this year



Source: Wood Mackenzie, May estimate - Morgan Stanley Research

**Exhibit 3:** Freeport and Ivanhoe have both downgraded their respective ramp up schedules at Grasberg and Kamoakakula

Company	New Guidance (kt)	Old Guidance/Consensus (kt)	Change
Rio Tinto	800-870	800-870	0
Teck Resources	455-530	455-530	0
Antofagasta	650-700	650-700	0
First Quantum	405-475	375-435	35
Freeport-McMoRan	1397	1533	-136
Ivanhoe Mines	290-330	380-420	-90
Lundin Mining	310-335	320-348	-11.5
Anglo American	700-760	760-820	-60
Hudbay	110-138	110-138	0
Glencore	810-870	810-870	0
BHP (FY26)	1900-2000	1800-2000	50
Vale	350-380	350-380	0
MMG	490-530	490-530	0
Southern Copper	911	911	0
Codelco (El Teniente)	301	355*	-54
<b>Company Cuts (YTD)</b>			<b>-267</b>
Cochilco (Chile)	5300	5613	-313
Implied other Chile**			-188
<b>Total Cuts (YTD)</b>			<b>-454</b>

Source: Company reports, Cochilco, Morgan Stanley Research. \*Previous FY25. \*\*Implied other Chile = Cochilco downgrade less relevant company cuts

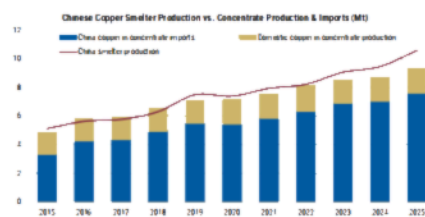
**Sulphur shortages remain a risk to output too:** With ongoing disruption to sulphur shipments from the Middle East and China's ban on sulphuric acid exports, SxEW operations in the DRC (1.4 Mtpa) and Chile (1.1 Mtpa) remain at risk. In the DRC, onsite sulphur stockpiles are expected to provide some buffer while strong margins will likely enable larger operations to absorb cost increases. Ivanhoe's Kamoakakula smelter will also

provide acid into the domestic market this year as it ramps up and Zambia has relaxed a ban on acid exports to the DRC. However, it has been [reported](#) that the Mopani and Chambishi smelters in Zambia will undergo extended maintenance this year potentially reducing some flows. Woodmac estimates that 125 kt of production could be lost in the DRC this year if shipments resume by mid-late May, with upside risks to this estimate with shipping still disrupted.

**Chilean SxEw is more acid intensive:** Operations in Chile typically use more acid per tonne of copper than the DRC due to lower grades. Chile also relies more on acid from domestic smelters and imports than sulphur. With sulphuric acid more difficult to store due to its corrosive properties, operations in Chile are less likely to have a significant buffer from onsite inventories, leaving them exposed to China's export ban - we estimate China accounted for 20% of Chile's acid units. Based on domestic availability of sulphuric acid, we estimate Chilean operations require 6.5 tonnes of acid per tonne of copper produced, on average. However, geological variation between deposits likely means some require significantly more, exposing them to greater risk. The slow nature of heap leaching also means any production impact may be delayed - a drop in acid feed now may only show up in lower production in 70-200 days.

## Scrap is also tightening

**Exhibit 4:** Reliance on scrap at China's smelters has increased as output has diverged from the volume of concentrate available in China



Source: TradeMap, Morgan Stanley Research, assumed 25% imported copper concentrate grade

**Policy and trade disruptions are disrupting scrap availability in China:** China's refined copper and semi-fabricated products output has become more reliant on scrap as copper mine supply has failed to keep up with smelter expansions, but domestic policies and geopolitics are tightening availability of scrap too. Full implementation of China's reverse invoicing policy and a clampdown on circular invoicing have raised compliance burdens, tax scrutiny and costs, disrupting domestic scrap supply and weighing on spot trading. Meanwhile, traditional international scrap flows are shifting. US-China trade tensions have constrained US exports to China, while growing recognition of scrap as a strategic resource may lead to further tightening of trade policy.

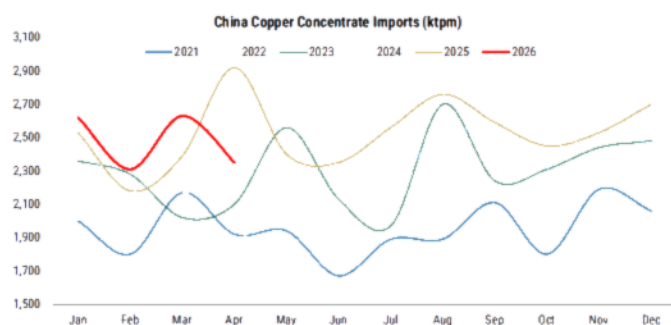
A tighter scrap market creates upside price risk, all else equal, by tightening the refined balance. Secondary semi-fabricators facing lower scrap availability, or increased costs, are either cutting production or switching to refined copper feedstock, supporting refined demand. Smelters also face feedstock risks, having grown reliant on scrap to help ease pressure from a tight concentrate market. However, larger producers may prove more resilient and could benefit from increased scrap availability if smaller processors cease operations. See: [Copper Scrap Tightening in China?](#)

## China refined output slowing?

**Lower feedstock availability for Chinese smelters?** The [China Smelter Purchasing Team](#) (CSPT) announced last year that China's major copper smelters would trim production by over 10% in 2026. Despite this, YTD refined output is up 6% with production surpassing 5 Mt between Jan-Apr. However, recent data suggests this may be changing. China's concentrate imports fell 20% YoY in April, with spot TCs continuing to move lower, reaching -\$80/t in April and -\$110/t on the latest Platts spot assessment, potentially indicating smelters are now less willing to engage at this level. With constrained scrap availability too (discussed above), we see a growing risk of feed shortages for smelters.

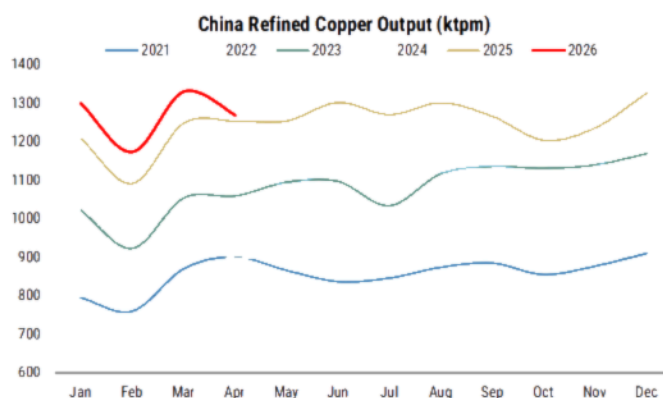
Already, China's refined output dropped 4.6% MoM in April, or 1.4% adjusted for day count, and YoY growth slowed to just 1.2%. This is a more significant seasonal slowdown than normal. Whilst one month of lower production doesn't indicate a downward trend, the risks to China's smelter production are weighted to the downside this year. Chile is China's largest single source of copper concentrate and with Chilean mine production now forecast to decline this year, we could see more downward pressure on spot TCs. China's ban on sulphuric acid exports may also negatively impact domestic smelter margins. Where previously smelters relied on by-product revenue from acid amid record low TCs, the ban effectively forces smelters to sell into the domestic market which may weigh on prices as availability increases. Before smelters explicitly cut production they may now opt to bring forward planned maintenance to manage falling margins. However, the net effect is the same in the short term and could boost refined copper import demand.

**Exhibit 5:** China concentrate imports declined 20% YoY in April



Source: Bloomberg

**Exhibit 6:** While April refined output slowed more than in recent years



Source: Bloomberg

## Demand: All about China and the US

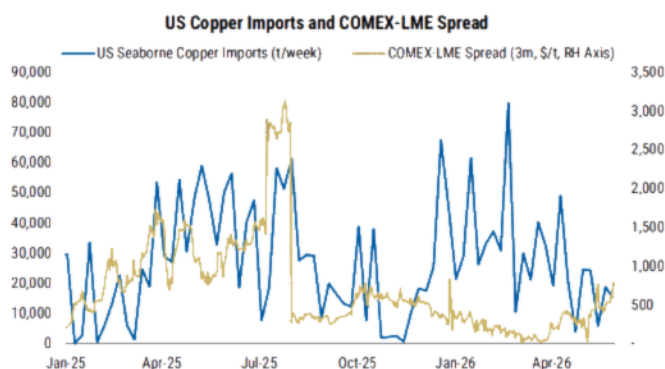
**US import arb opens again:** After temporarily widening in April, the COMEX-LME spread has been steadily rising since early May. In our view, the widening of the arb is more due to flows than speculation on potential refined copper tariffs, with COMEX typically outperforming the LME on de-escalation days and COMEX net long positioning now at an all-time high. However, as we move closer to the tariff decision, we may see more speculation too.

Our estimate for YTD over-importing now stands at 260 kt, representing ~700 kt on an annualised basis (2.6% of global demand). Inflows were particularly strong in Q1, moderating in April and May as the lagged effect of the near zero arb we observed through most of 1Q came through. However, with the arb widening, bookings are likely rising again. On top, ~30kt of metal in the US LME warehouse system has been cancelled recently, likely for delivery to COMEX warehouses given the premium which could tighten LME spreads.

The US decision, and the subsequent impact on flows, is likely to be a key driver of the copper price direction from here. The exact timing of the decision is unknown, but is expected sometime in the second half of this year after the Secretary of Commerce delivers an update to the President on domestic copper markets by 30 June. An advance

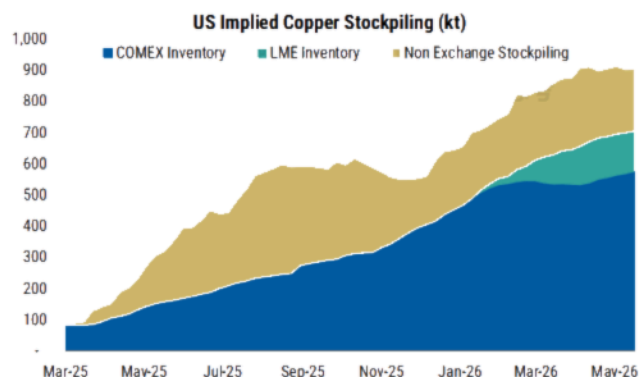
announcement of tariffs (ie. ahead of 1 Jan 2027) would be bullish, pulling even more metal to the US, while a decision not to impose tariffs would be bearish for both benchmarks, in our view. The decision could also be rolled forward again, which would be more neutral.

**Exhibit 7:** The COMEX-LME spread has widened again in May



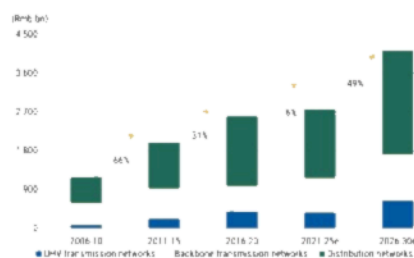
Source: Bloomberg

**Exhibit 8:** Total US implied inventories have dropped slightly in May



Source: Bloomberg, Morgan Stanley Research estimates

**Exhibit 9:** China's power grid investment to accelerate during the 15th Five-Year Plan, particularly more copper-intensive distribution



Source: National Energy Administration, China Electricity Council, Morgan Stanley Research Estimates

**China is also pulling in metal:** Chinese refined imports have also been rising, reaching 316 kt in April, up 5% YoY. This coincides with a MoM decline in refined output while April refined exports dropped 67% YoY to 25.6 kt, well below the November peak of 143 kt. This took refined copper imports to the highest since summer 2025 when copper was below \$10,000/t. Inventories continued to draw through early April, supporting a slight YoY increase in apparent consumption during the month. However, end use demand indicators remained mixed, suggesting another month of restocking.

Looking forward, the near term outlook for the China market is murky. Inventories have stabilised since mid-April as copper prices have rallied, suggesting consumers' price sensitivity. Orders for copper tube were expected to drop 20% MoM, while copper rod orders were also lower. However, the Yangshan premium has maintained a general upward trajectory through May, while the LME-SHFE arb has periodically opened, incentivising imports. This potentially points to challenges for domestic refined output which might now be feeling the constraints of reduced feedstock availability, both of concentrate and scrap, while China's invoicing clampdown may be limiting domestic circulation. We would expect China's demand to remain sensitive to copper prices, with buying on any pullbacks, but a slowdown as copper rallies.

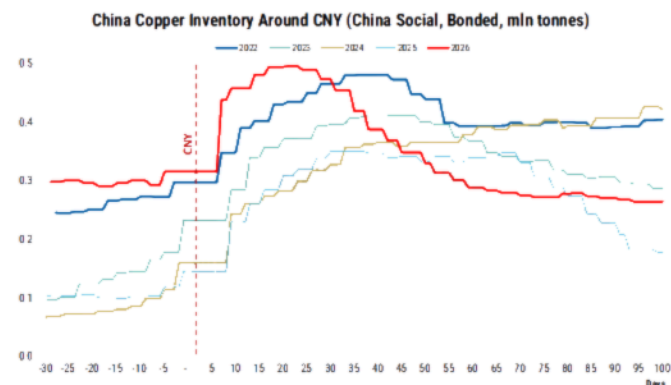
**Export market and grid spend supporting demand:** The export market has been strong for China, likely providing support for domestic copper consumption. Vehicle and solar cell exports have been particularly strong, rising 62% and 43% YoY in Jan-Apr, partially offsetting weaker domestic uptake in both sectors. Expansion and upgrade of the grid will also likely continue to be a key driver of copper demand in China. State Grid invested CNY 130 bn (~\$19 bn) in 1Q, up 37% YoY, while China Power Grid invested CNY 38.5 bn (~\$5.7 bn), up 50% YoY according to Yicai Global. China's 15th five year plan (2026-2030) has outlined a grid spend target of CNY 4 tn (~\$600 bn), a 40% increase over the prior five years, implying an annual spend of CNY 800 bn (~\$118 bn). We have already seen a number of procurement tenders come through in 2026 and would expect high tender activity to continue.

**Exhibit 10:** China's net refined copper imports rose by 30% YoY in April



Source: Bloomberg

**Exhibit 11:** Inventory draws continued in early April, but have since stabilised



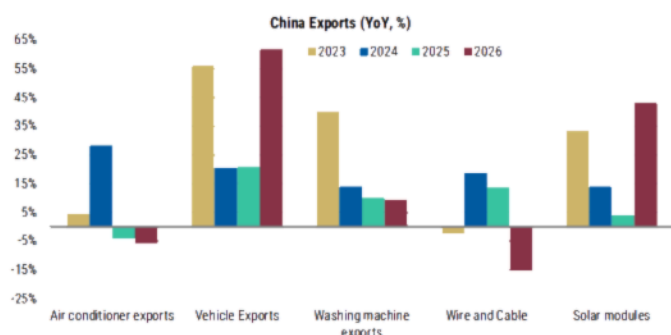
Source: Bloomberg, Morgan Stanley Research

**Exhibit 12:** China's apparent demand growth slowed in April but stayed positive



Source: Bloomberg

**Exhibit 13:** China continues to see very strong growth in vehicle and solar module exports, supporting demand.



Source: Bloomberg

## MS Outlook

The current set up in the copper market highlights three major moving parts: 1) supply disruptions; 2) US import demand; and 3) Chinese buying.

After major disruptions recorded last year, mine supply continues to disappoint which will keep concentrate markets tight and maintain downward pressure on TCs. This, combined with constrained scrap availability in China, is creating challenges for refined output in China.

Meanwhile the US continues to over import metal, with the tariff decision on refined copper imports looming.

China's domestic struggles and a period of downstream destocking through Q4 2025 and early Q1 may also point to increased import reliance, creating a dual pull on metal from both sides of the Pacific.

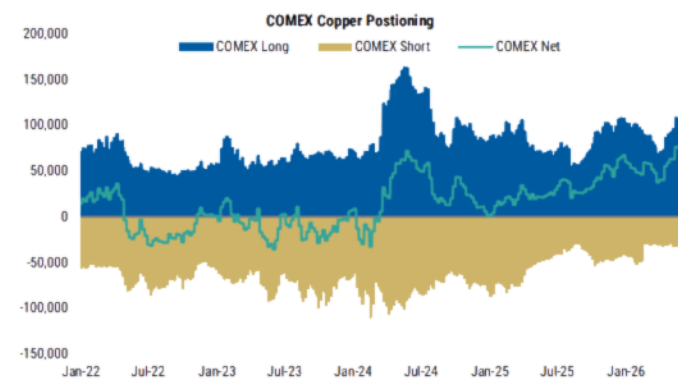
China's demand outlook, particularly at these prices, remains murky, but with the US and China both attracting metal for now, it does seem that fundamentals in the copper market are improving. Chinese buying is likely to remain price sensitive but we anticipate that any pullback in the copper price will prompt consumers to re-engage.

However, the key catalyst for the market this year will be whether or not the US decides to impose refined copper tariffs. This critical decision creates uncertainty due to the binary nature of outcomes. Imposition of tariffs likely reinforces the strong fundamentals that are emerging, encouraging further shipments to the US, especially if advanced warning of tariffs is given. But a decision against tariffs would remove a significant portion of demand and make the market feel much looser, likely weighing on both the COMEX and LME benchmarks. For now, we expect any pullbacks in copper to be shorter and shallower than normal, offering brief buying opportunities.

**Upside risks:** US announces tariffs soon after the 30 June report, driving a further rush to ship metal to the US for stockpiling, Middle East conflict ends, bringing a risk-on set up, the Fed cuts rates while other central banks hold or hike, weakening the USD.

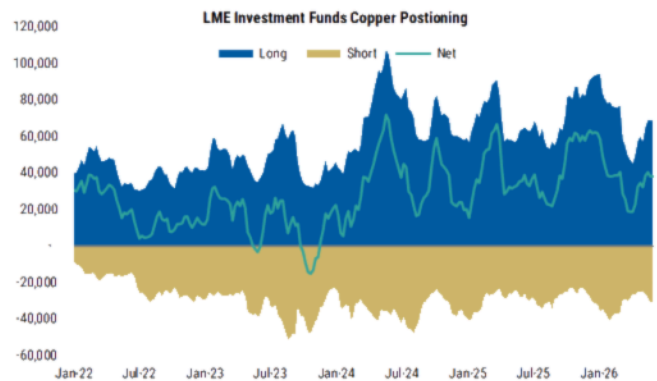
**Downside risks:** Rising global growth concerns, growing expectations of Fed interest rate hikes, US definitively rules out import tariffs, China slowdown.

**Exhibit 14:** COMEX Copper net longs are at all-time highs, but absolute longs are below the previous peak



Source: Bloomberg

**Exhibit 15:** LME net positioning is well below previous peaks, perhaps with less macro flow and potentially some short positions versus COMEX on the US tariff decision



Source: Bloomberg

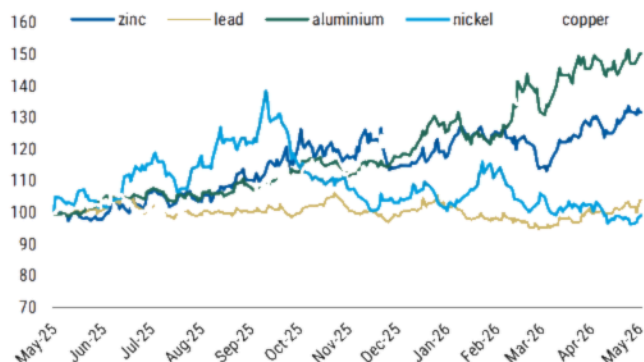
# Week in Review

**Base Metals:** Base metals have made marginal gains this week as tensions in the Middle East appear to be easing. LME and COMEX copper were both up 0.2% WoW, with the arb between the two benchmarks also back in focus as the US decision on refined copper tariffs looms. Aluminium gained 0.2% WoW, also supported by confirmation of capacity inspections in China. Nickel was the relative outperformer, rising 1.0% WoW while lead and zinc rose 0.3% and 0.2% respectively.

**Precious Metals:** Precious metals posted a mixed performance this week showing volatility amid headlines on the Middle East conflict. Gold gained 0.1% WoW, with ceasefire headlines later in the week providing support. Silver dropped 0.6% WoW, erasing mid-week gains. Palladium rose 1.3% WoW while platinum fell 0.9%

**Bulks:** Iron ore dropped 0.8% WoW this week, extending the decline from the prior week, with fundamentals weakening. Spot met coal (Platts) remained flat WoW, while futures moved higher following an explosion at a met coal mine in northern China. Thermal coal dropped 0.4% WoW, tracking the rest of the energy complex lower on ceasefire headlines.

**Exhibit 16:** Base metals price indices (12-month rolling)



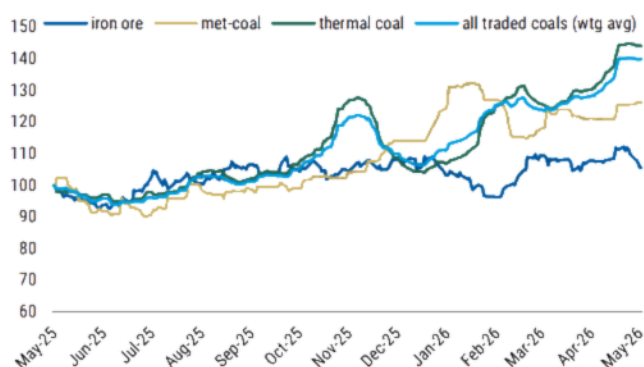
Source: Bloomberg, Morgan Stanley, Research

**Exhibit 17:** Precious metals indices (12-month rolling)



Source: Bloomberg, Morgan Stanley, Research

**Exhibit 18:** Bulk commodity price indices (12-month rolling)



Source: Platts, Bloomberg, Morgan Stanley Research

## Morgan Stanley Price Forecasts

**Exhibit 19:** Summary of Morgan Stanley's commodity price forecasts (set on 8 April 2026)

commodity group	unit	1Q 26a	2Q 26e	3Q 26e	4Q 26e	1Q 27e	2Q 27e	3Q 27e	4Q 27e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	LT real	LT nom.	
<b>Base Metals</b>																			
LME Aluminum	US\$/lb	1.45	1.54	1.56	1.59	1.54	1.47	1.45	1.45	1.20	1.54	1.48	1.43	1.45	1.45	1.36	1.13	1.30	
	US\$/t	3,195	3,400	3,450	3,500	3,400	3,250	3,200	3,200	2,638	3,386	3,263	3,150	3,200	3,200	3,000	2,500	2,871	
LME Copper	US\$/lb	5.81	5.15	5.44	5.90	5.90	5.90	5.22	5.22	4.56	5.58	5.56	5.22	5.22	5.22	5.22	4.40	5.05	
	US\$/t	12,818	11,350	12,000	13,000	13,000	13,000	11,500	11,500	10,053	12,292	12,250	11,500	11,500	11,500	11,500	9,700	11,141	
COMEX Copper	US\$/lb	5.83	5.17	5.50	6.01	6.01	6.01	5.32	5.32	4.85	5.63	5.67	5.32	5.32	5.32	5.32	4.49	5.15	
	US\$/t	12,852	11,407	12,120	13,260	13,260	13,260	11,730	11,730	10,691	12,410	12,495	11,730	11,730	11,730	11,730	9,894	11,364	
LME Nickel	US\$/lb	7.86	7.25	7.71	7.48	7.48	7.48	7.48	7.48	6.94	7.58	7.48	7.48	7.71	8.16	8.16	7.44	8.54	
	US\$/t	17,325	16,000	17,000	16,500	16,500	16,500	16,500	16,500	15,294	16,706	16,500	16,500	17,000	18,000	18,000	16,400	18,836	
LME Zinc	US\$/lb	1.47	1.29	1.32	1.41	1.36	1.32	1.32	1.32	1.31	1.37	1.33	1.32	1.32	1.32	1.36	1.36	1.27	1.46
	US\$/t	3,235	2,850	2,900	3,100	3,000	2,900	2,900	2,900	2,879	3,021	2,925	2,900	2,900	3,000	3,000	2,801	3,217	
LME Lead	US\$/lb	0.88	0.79	0.82	0.93	0.95	0.95	0.95	0.95	0.90	0.85	0.95	1.00	1.01	1.13	1.13	1.02	1.17	
	US\$/t	1,930	1,750	1,800	2,050	2,100	2,100	2,100	2,100	1,978	1,883	2,100	2,200	2,238	2,500	2,500	2,250	2,584	
<b>Precious Metals</b>																			
Gold	US\$/oz	4,865	4,400	5,200	5,200	5,000	5,000	5,000	4,800	3,469	4,916	4,950	4,500	4,000	4,000	4,000	2,500	2,871	
Silver	US\$/oz	83.7	62.9	74.3	74.3	71.4	71.4	71.4	68.6	40.5	73.8	70.7	64.3	57.1	57.1	57.1	31.3	35.9	
Platinum	US\$/oz	2,215	1,850	1,950	1,962	1,974	1,987	1,999	2,012	1,291	1,994	1,993	2,043	2,095	2,148	2,202	1,940	2,228	
Palladium	US\$/oz	1,723	1,400	1,400	1,409	1,418	1,426	1,435	1,444	1,160	1,483	1,431	1,312	1,345	1,379	1,414	1,250	1,436	
<b>Bulk</b>																			
Iron Ore (fines 61% Fe, cfr N. China)	US\$/t	104	105	98	95	95	95	95	100	102	100	96	98	100	100	100	90	103	
Hard Coking Coal (spot, fob Aus)	US\$/t	235	225	240	225	225	225	225	230	188	231	226	214	215	215	215	191	219	
Thermal coal (spot, fob Newc)	US\$/t	123	170	160	150	140	140	140	130	107	151	138	125	130	135	135	120	138	
<b>Other</b>																			
Manganese ore (44%)	US\$/mtu	5.2	5.6	5.6	5.4	5.4	5.5	5.5	5.5	4.6	5.4	5.5	5.6	5.7	5.8	5.8	5.2	6.0	
Alumina (spot, fob Aus)	US\$/t	307	310	310	320	320	325	325	325	362	312	324	350	350	380	400	380	436	
Lithium carbonate (spot China, ex-VAT)	US\$/t	19,360	23,500	25,500	23,000	20,000	20,000	18,000	18,000	9,300	22,840	19,000	16,000	14,000	15,000	16,000	14,800	16,998	
Cobalt	US\$/lb	25.9	27.0	27.0	27.0	27.0	27.0	27.0	27.0	17.5	26.7	27.0	17.5	15.0	15.0	17.5	14.0	16.1	
Uranium - spot	US\$/lb	88.5	90.0	95.0	100.0	105.0	100.0	90.0	80.0	73.5	93.4	93.8	70.0	70.0	70.0	70.0	61.0	70.1	
<b>Exchange Rates</b>																			
1 AUD = USD		0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.65	0.70	0.70	0.70	0.70	0.69	0.69	0.71	0.70	
1 USD = BRL		5.26	5.40	5.50	5.20	5.20	5.20	5.30	5.30	5.72	5.34	5.25	5.30	5.87	5.98	6.08	5.65	6.71	
1 USD = CAD		1.37	1.37	1.36	1.36	1.36	1.36	1.36	1.37	1.40	1.37	1.36	1.28	1.28	1.28	1.28	1.29	1.29	
1 USD = ZAR		16.34	17.00	16.50	16.62	16.75	16.87	17.00	17.13	17.82	16.62	16.94	17.45	17.98	18.53	19.09	17.00	22.21	
1 EUR = USD		1.17	1.17	1.17	1.18	1.18	1.18	1.18	1.19	1.14	1.17	1.18	1.19	1.20	1.21	1.23	1.27	1.23	
1 USD = CNY		6.93	6.95	7.00	7.05	7.03	7.00	6.98	6.95	7.18	6.98	6.99	7.15	7.12	7.01	6.89	7.90	6.95	

Source: LME, Bloomberg, Platts, Morgan Stanley Research estimates (e) (Note: Exchange rate forecasts are the assumptions that are compiled and used by Global Resources Equity Team; all prices are nominal, unless otherwise indicated)

# Commodity Thermometer

Exhibit 20: Metals & Mining Commodity Thermometer

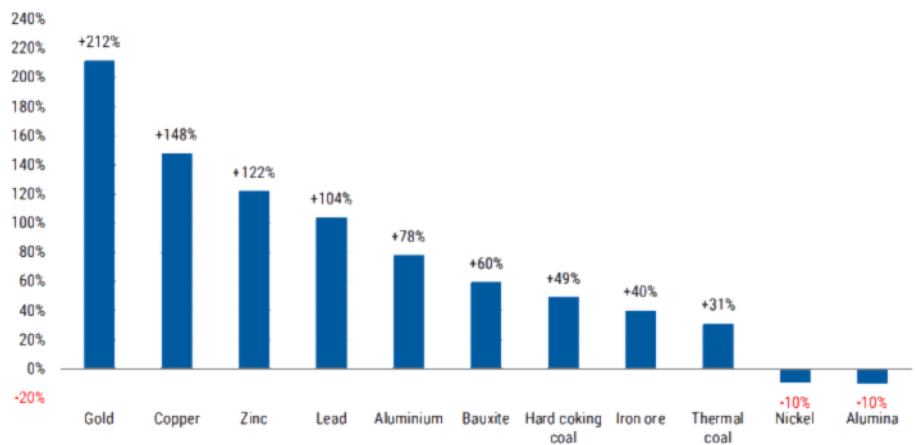
Commodity	Bearish	Neutral	Bullish	Thesis
Lithium carbonate				Zimbabwe export ban drives meaningful near-term tightness while continued strength in ESS deployment and an accelerated rotation to energy-transition sectors post conflict should support lithium demand.
Thermal coal				Thermal coal has rallied on energy market tightness, and we see further upside in higher-CV grades, as gas-to-coal switching in North Asia lifts power sector demand into summer. More limited gains for low-CV grades on Indonesian spare capacity.
Uranium				Energy market tightness is driving uranium upside, with rising term prices and contracting activity, improving nuclear sentiment and limited mine supply growth supporting the market.
Gold				Gold's liquidity has contributed to recent weakness, but with Fed rate cuts viewed as more likely than hikes this year, we see upside for gold through 2H26. Conflict resolution would likely also be supportive.
Aluminium				The market is continuing to tighten as Middle East production cuts drive meaningful, long-lasting supply disruption. With capacity constrained elsewhere and demand holding up, we see further upside for aluminium through 2026.
Platinum				Platinum is likely to continue tracking gold with a modest underlying deficit providing support, though downside risks to auto and jewellery demand may limit further upside.
Cobalt				Cobalt remains supported by DRC export restrictions, while potential impacts on Indonesian supply from sulphur shortages add modest upside.
Palladium				Palladium is moving towards balance as supply constraints are offset by weakening autos demand.
Hard Coking Coal				Met coal is likely to remain range bound in 2026, with cost-driven support from higher fuel and freight prices offset by weaker Chinese seaborne demand and growing supply.
Silver				Silver is likely to remain volatile in 2026, with industrial demand risks and ETF selling combined with tight inventories and resilient Chinese demand.
COMEX Copper				COMEX copper remains resilient on continued US stockpiling demand, while a supportive tariff decision in July may provide further upside.
Nickel				Policy uncertainty in Indonesia and forecast surpluses cap potential upside from sulphur-related supply disruptions and potential for stronger-than-expected demand from energy-transition sectors post conflict.
Alumina				Alumina faces pressure from reduced smelting demand and rising seaborne supply, though Guinea export restrictions could limit downside.
Manganese Ore				Manganese ore is seeing cost support from higher freight and diesel prices, however weakening fundamentals add downward pressure and limit upside.
LME Copper				Copper faces near-term growth risks related to an ongoing Middle East conflict, but with Chinese demand seen to be improving and growing focus on strategic stockpiling, structural drivers remain supportive of a rebound in the medium term.
Lead				Lead remains structurally challenged as ICE vehicle demand declines, though battery replacement and ESS provide some support.
Iron Ore				Iron ore is shifting to oversupply on stronger seaborne supply and softer Chinese demand, though cost curve pressures and Chinese import restrictions are likely to provide short-term support.
Zinc				Zinc fundamentals are softening as refined supply recovers, tipping the market into a surplus this year and weighing on prices.

Source: Morgan Stanley Research. Note: Order of preference based on 2Q/3Q26 forecasts vs last two weeks' average prices ending 6 April 2026.

# Recent Reports

metal&ROCK: Nickel: Supply Down, Costs Up	22-May-2026
Commodity Matters: Tighter Copper Scrap Market in China?	14-May-2026
metal&ROCK: Why Is Aluminium Not Higher?	08-May-2026
metal&ROCK: Moving Parts in Metals Markets	27-Apr-2026
metal&ROCK: Gold: Safe Haven or Risk Asset?	17-Apr-2026
Commodity Matters: China Bans Sulphuric Acid Exports	10-Apr-2026
Commodity Matters: Stockpiling, Scarcity and Safe Havens	08-Apr-2026
The Price Deck – 2Q26: Two-Way Risks	08-Apr-2026
Commodity Matters: Aluminium Tightening Further	01-Apr-2026
metal&ROCK: Growth Worries Accelerate	23-Mar-2026
metal&ROCK: Scenarios for Gold	16-Mar-2026
Commodity Matters: Aluminium Disruptions Adding Up	16-Mar-2026
metal&ROCK: Middle East: Sulphur Squeeze	09-Mar-2026
Commodity Matters: Middle East Metals Exposure	04-Mar-2026
metal&ROCK: Aluminium: Power is King	02-Mar-2026
Commodity Matters: Copper: What to Watch Post CNY	19-Feb-2026
metal&ROCK: Lithium Overdone?	17-Feb-2026
US Reportedly Considers Tariff Reduction on Some Steel & Aluminium Goods	13-Feb-2026
Thermal Coal: Upside Risk from Indonesia Output Cuts	09-Feb-2026
Copper: Stockpiling, Supply and Substitution	06-Feb-2026
Iron Ore: Solid As A Rock?	02-Feb-2026
Gold: Bull Case in Play	23-Jan-2026
Copper: Macro Strength, Micro Weakness	22-Jan-2026

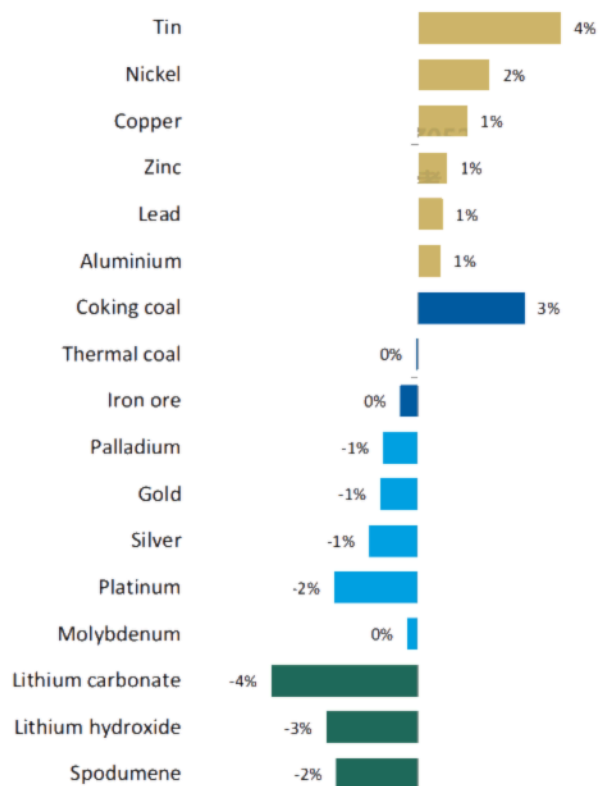
**Exhibit 21:** Spot commodity prices vs. the marginal cost of production



Source: Wood Mackenzie, Bloomberg, Morgan Stanley Research. Note: Marginal cost (year 2024), dataset Q1 2025. C1 cash costs

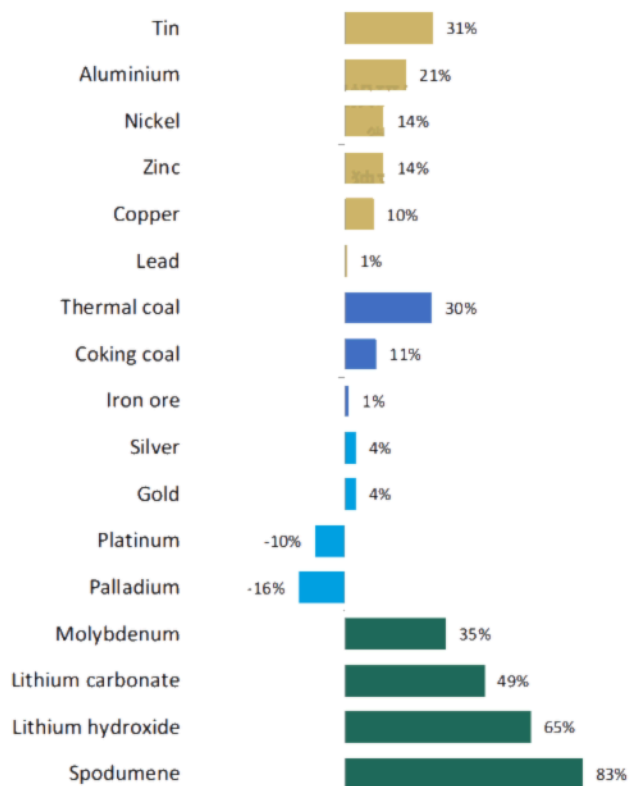
# Commodity Price Snapshot

**Exhibit 22:** Key metals: one-week absolute performance



Source: Bloomberg, Morgan Stanley Research

**Exhibit 23:** Key metals: YTD absolute performance



Source: Bloomberg, Morgan Stanley Research

**Exhibit 24:**

Base Metals: Price Snapshot

Base Metals	28-May-26	21-May-26	WoW Change (%)
Copper	13,702	13,516	1.4%
Aluminium	3,660	3,637	0.6%
Nickel	19,101	18,727	2.0%
Zinc	3,551	3,523	0.8%
Lead	2,018	2,005	0.7%
Tin	54,900	52,800	4.0%

Source: Bloomberg, Morgan Stanley Research, WoW = Week on week

**Exhibit 25:** Precious Metals: Price Snapshot

Precious	28-May-26	21-May-26	WoW Change (%)	02-Jan-26	YtD (%)
Gold	4,495	4,543	-1.1%	4332.29	3.8%
Silver	76	77	-1.4%	72.8181	3.9%
Platinum	1,923	1,969	-2.3%	2142.88	-10.3%
Palladium	1,374	1,387	-1.0%	1636.36	-16.0%

Source: Bloomberg/Morgan Stanley Research; WoW = Week-on-week

**Exhibit 26:** Bulks: price snapshot

Bulks	28-May-26	21-May-26	WoW Change (%)
Iron ore	105	106	-0.5%
Thermal coal	138	138	0.0%
Coking coal	243	236	3.0%

Source: Bloomberg/Morgan Stanley Research; WoW = Week-on-week

**Exhibit 27:** Other Metals: price snapshot

Other metals	28-May-26	21-May-26	WoW Change (%)
Molybdenum	30	30	-0.3%
Lithium carbonate	21,820	22,751	0
Lithium hydroxide	21,120	21,674	0
China Spodumene 6% min CIF	2,659	2,721	-2%

Source: Bloomberg/Morgan Stanley Research; WoW = Week-on-week

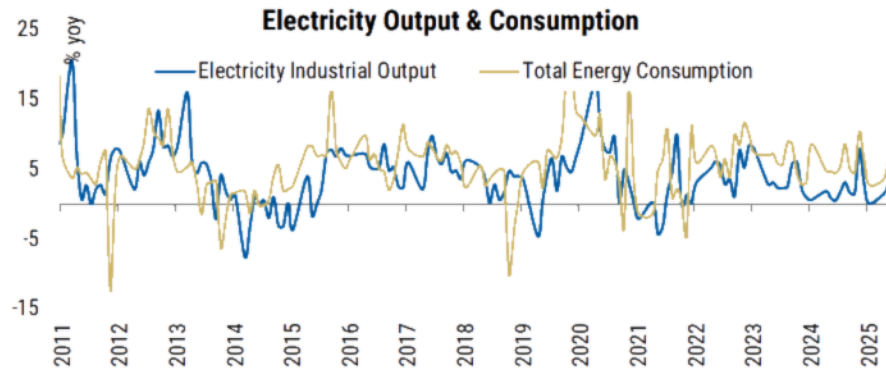
**Exhibit 28:** Exchange rate snapshot of major metal producing countries

Currency	28-May-26	21-May-26	WoW Change (%)
1 AUD = USD (Australian \$)	0.7	0.7	0%
1 EUR = USD (Euro)	1.2	1.2	0%
1 USD = BRL (Brazilian Real)	5.0	5.0	1%
1 USD = CAD (Canadian \$)	1.4	1.4	0%
1 USD = CLP (Chilean Peso)	891.2	898.3	-1%
1 USD = CNY (Chinese Renmimbi)	6.8	6.8	0.0
1 USD = KZT (Kazakh Tenge)	484.1	470.6	3%
1 USD = MXN (Mexican Peso)	17.3	17.3	0%
1 USD = NOK (Norwegian Krone)	9.3	9.2	0%
1 USD = PEN (Peruvian New Sol)	3.4	3.4	0%
1 USD = SEK (Swedish Krona)	9.3	9.3	-1%
1 USD = ZAR (S. African Rand)	16.2	16.5	-1%
1 USD = ZMW (Zambian Kwacha)	18.5	18.9	-2%

Source: Bloomberg/Morgan Stanley Research; WoW = Week-on-week

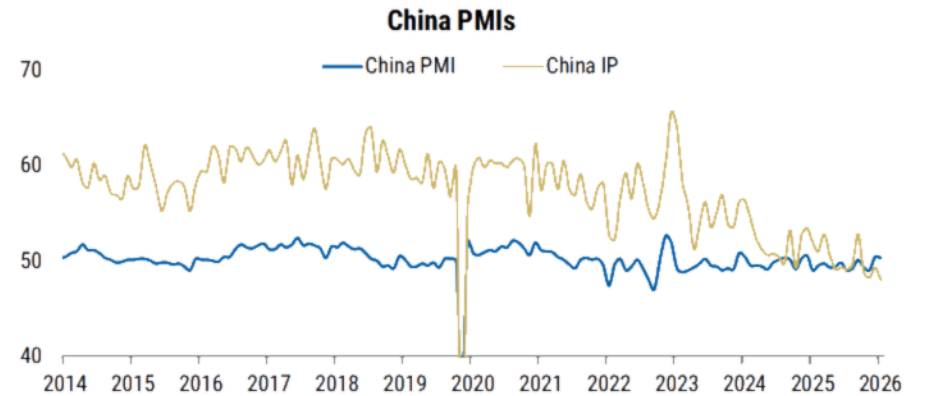
# China's Macro Indicators

**Exhibit 29:** China's Electricity Output & Consumption



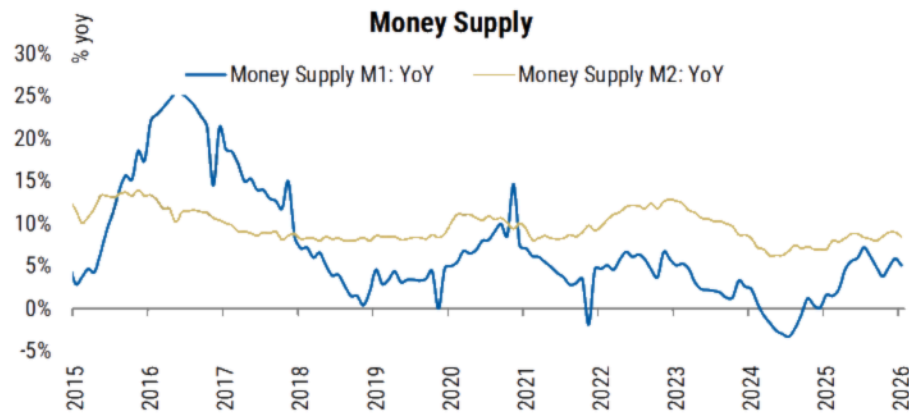
Source: CEIC, Morgan Stanley Research

**Exhibit 30:** China's Purchasing Managers Index and Industrial Production (IP)



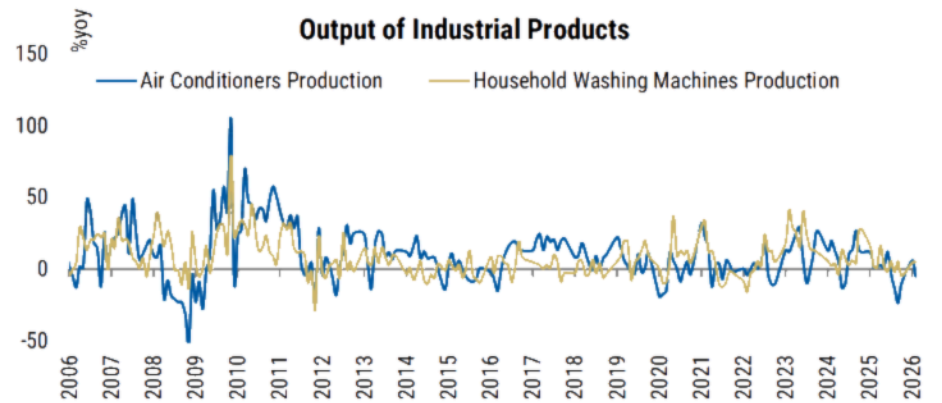
Source: CEIC, Morgan Stanley Research

**Exhibit 31:** China's Money Supply



Source: CEIC, Morgan Stanley Research

**Exhibit 32:** China's Output of Industrial Products



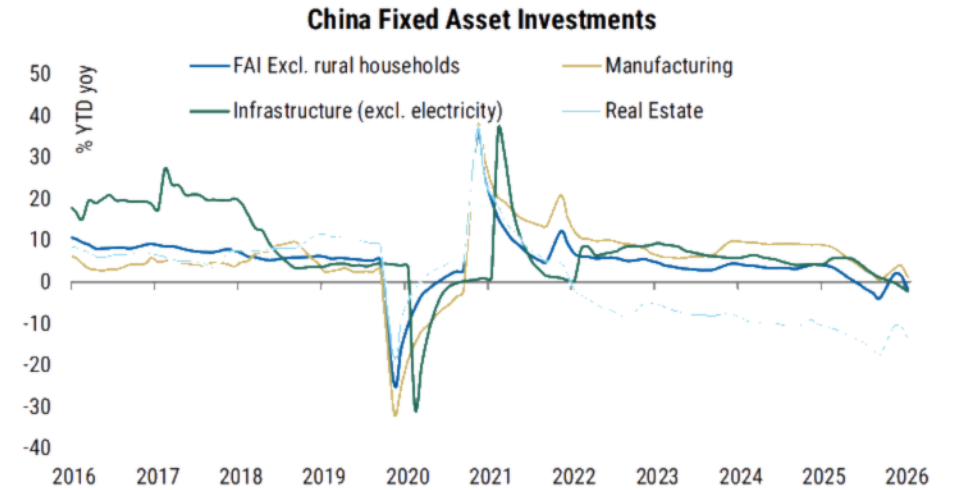
Source: CEIC, Morgan Stanley Research

**Exhibit 33:** China's Infrastructure Fixed Asset Investments (FAI)



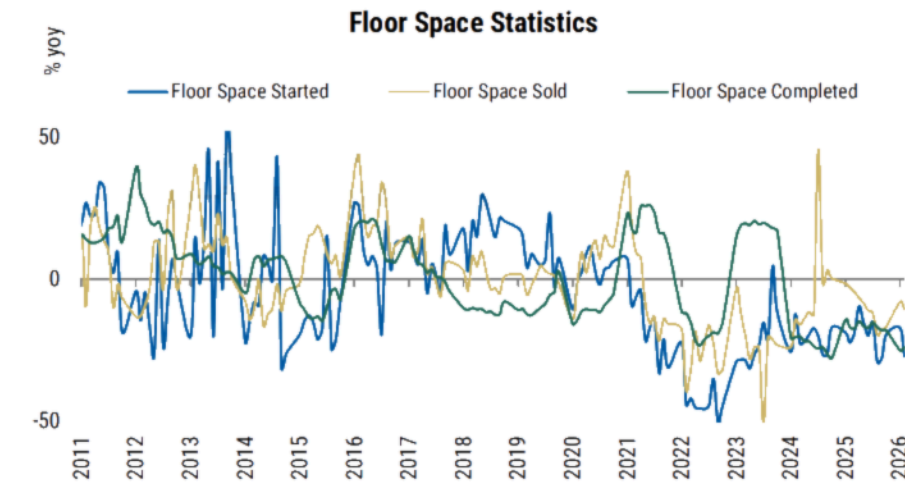
Source: CEIC, Morgan Stanley Research

**Exhibit 34:** China's Fixed Asset Investments



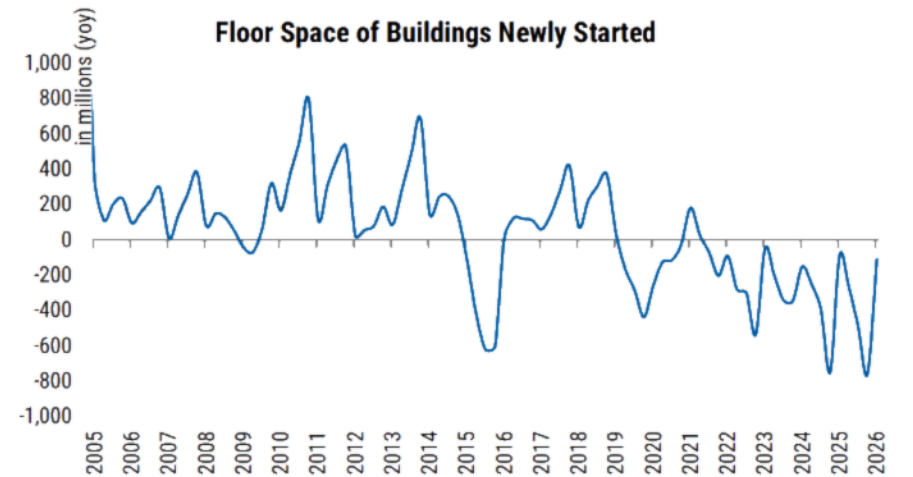
Source: CEIC, Morgan Stanley Research

**Exhibit 35:** China's Floor Space Started, Sold and Completed



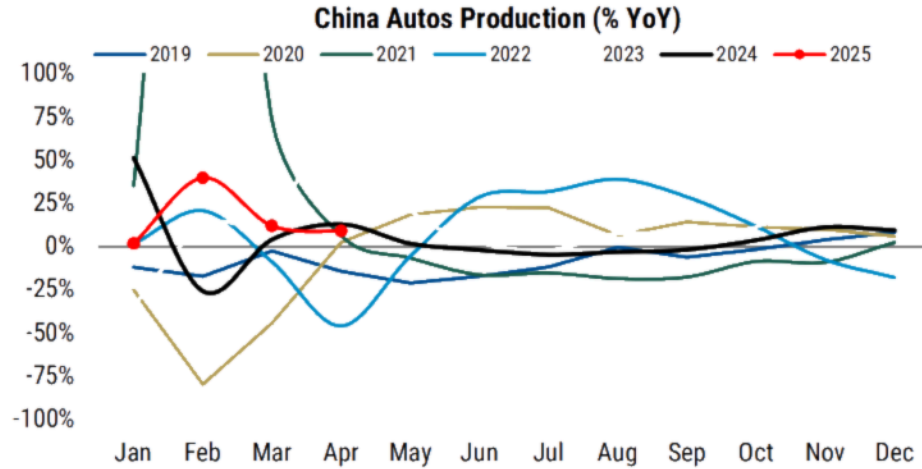
Source: CEIC, Morgan Stanley Research

**Exhibit 36:** Floor Space of Buildings Newly Started



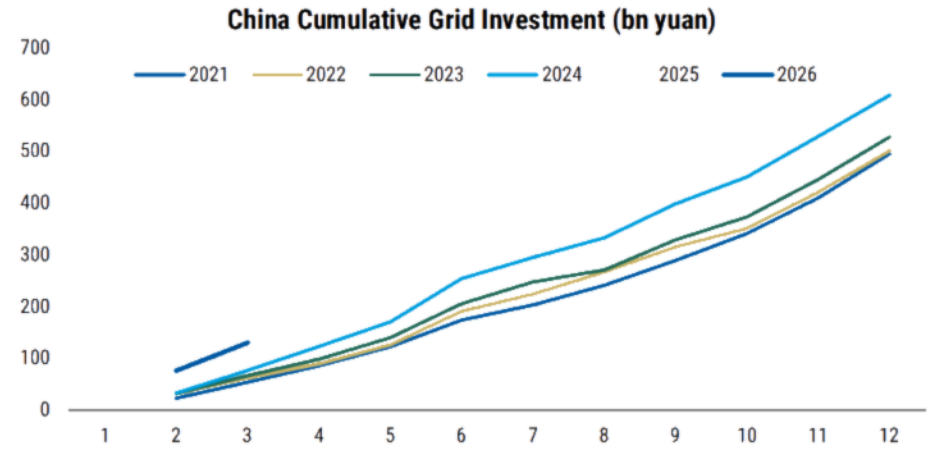
Source: CEIC, Morgan Stanley Research

Exhibit 37: China Autos Production



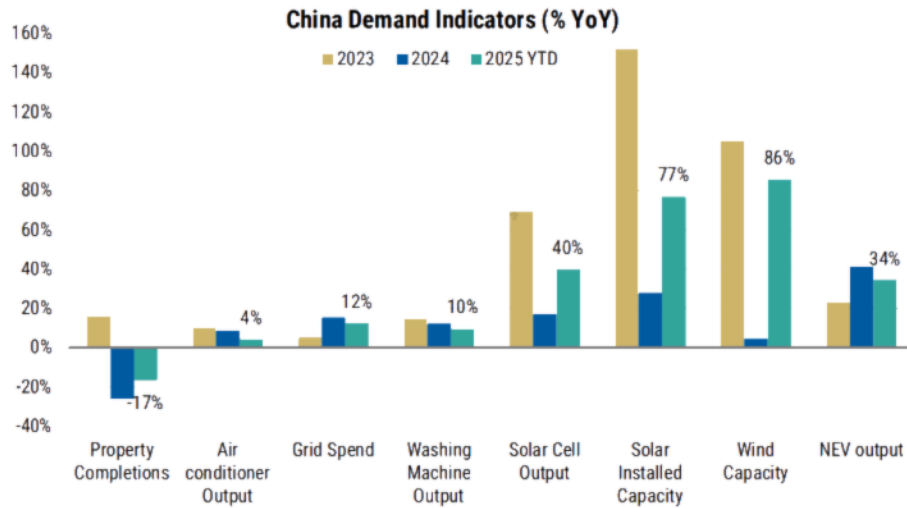
Source: CEIC, CAAM

Exhibit 38: China Cumulative Grid Investment



Source: Bloomberg

Exhibit 39: China Demand Indicators



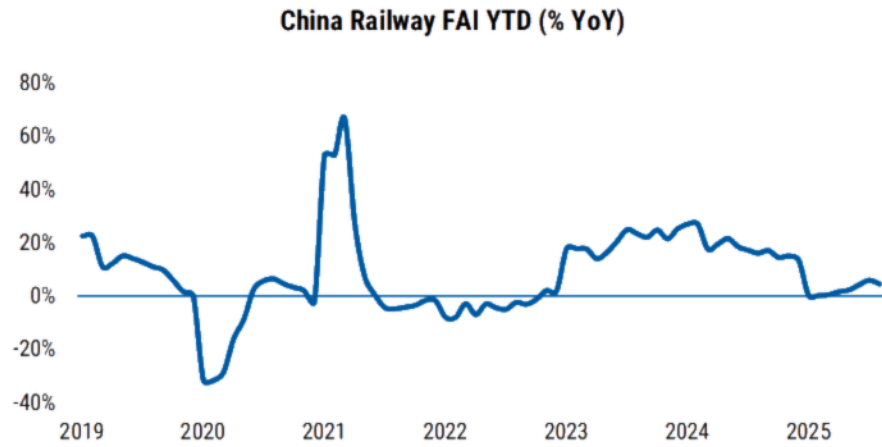
Source: Bloomberg, CEIC

Exhibit 40: China Excavator Sales



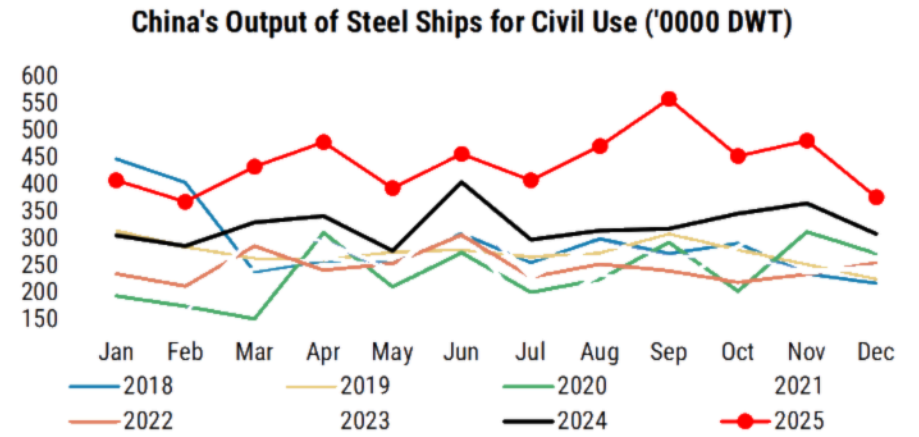
Source: CEIC

Exhibit 41: China Railway FAI YTD



Source: CEIC

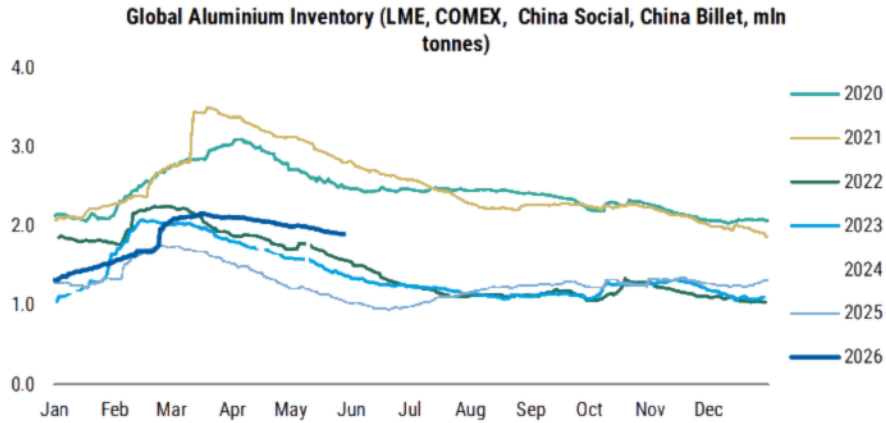
Exhibit 42: China Shipbuilding Output



Source: NBS

# Aluminium

**Exhibit 43:** Global Aluminium Inventories



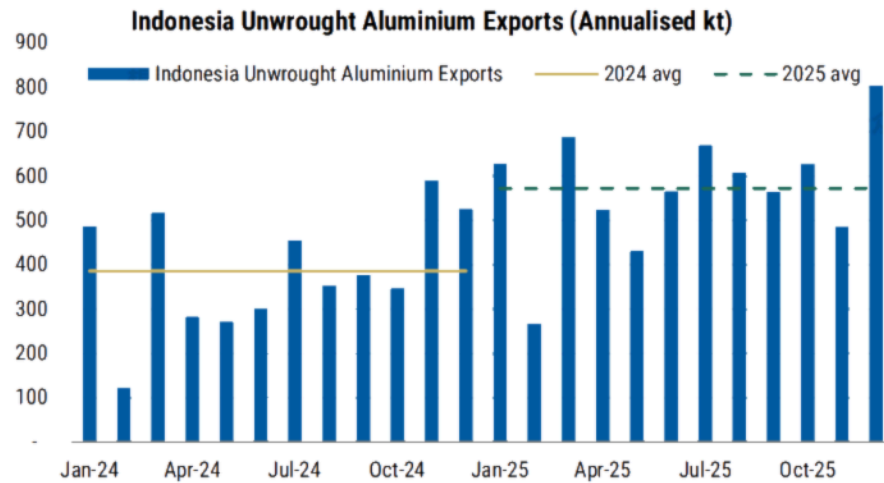
Source: Bloomberg

**Exhibit 44:** China Aluminium Inventories



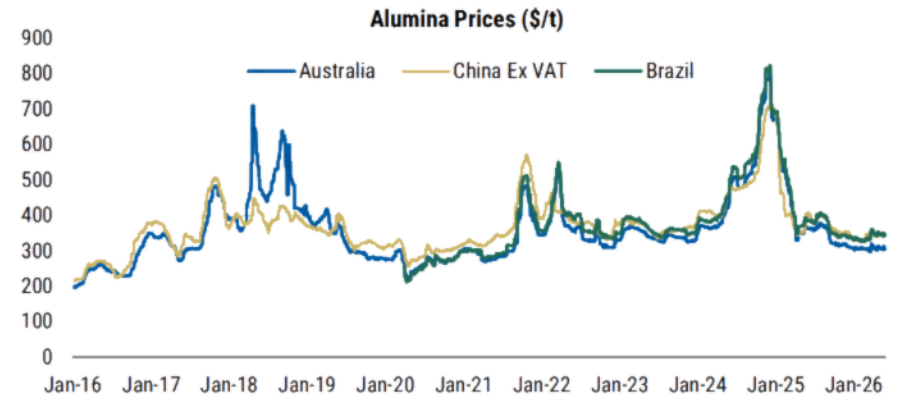
Source: Bloomberg

**Exhibit 45:** Indonesia Aluminium Exports



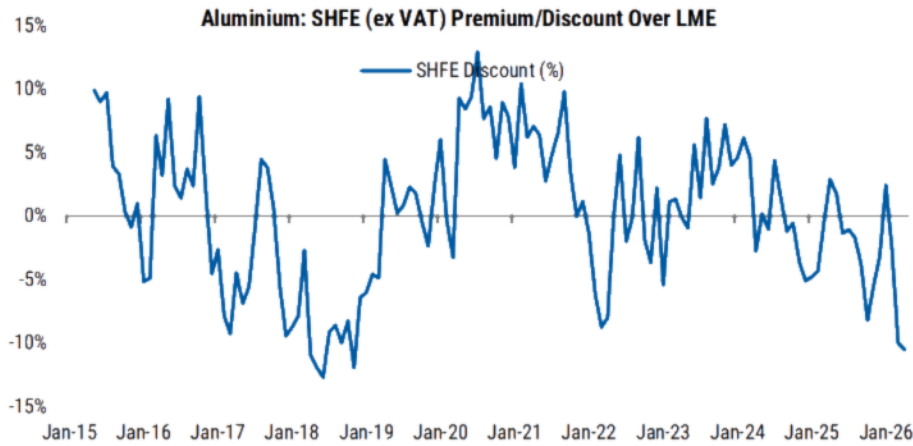
Source: TradeMap

**Exhibit 46:** Raw Materials: Spot Alumina vs China Domestic Price



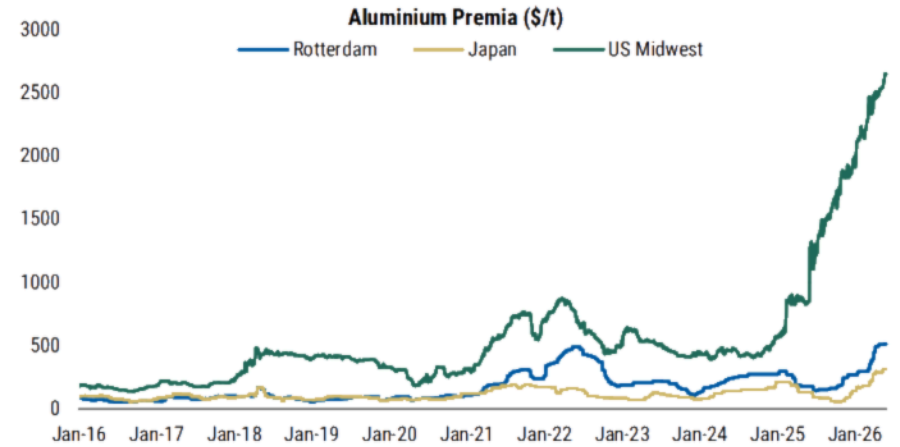
Source: Platts Bloomberg

**Exhibit 47:** Price Differentials: SHFE vs LME



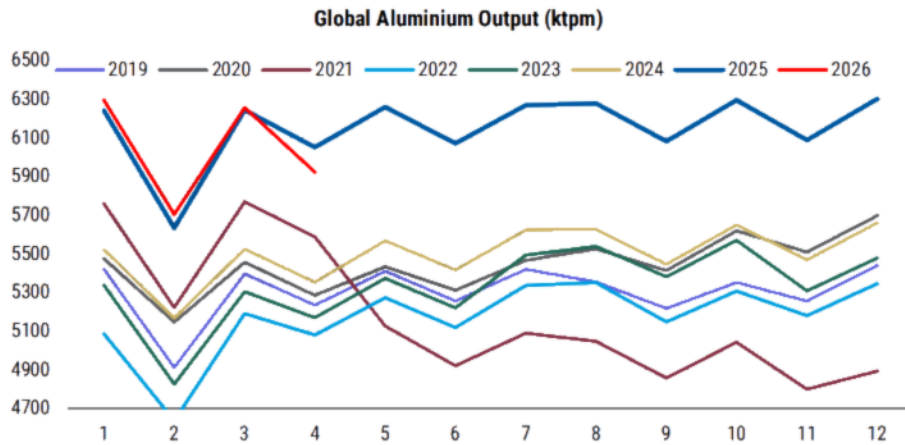
Source: Bloomberg

**Exhibit 48:** Physical demand: aluminium premia, by region



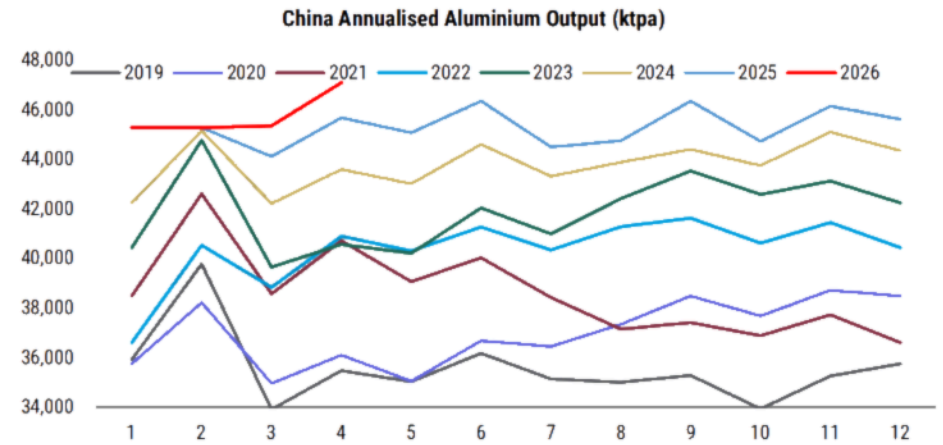
Source: Platts Bloomberg

**Exhibit 49:** IAI Global Aluminium Production



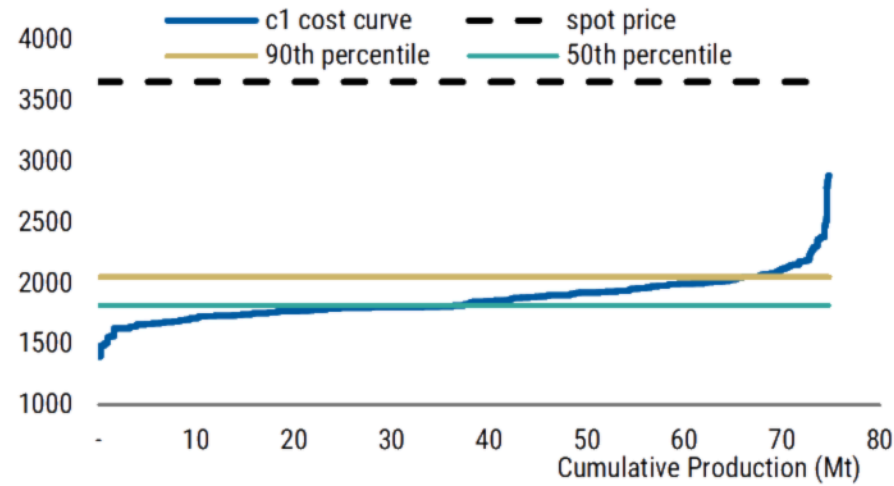
Source: IAI

**Exhibit 50:** China Aluminium Production



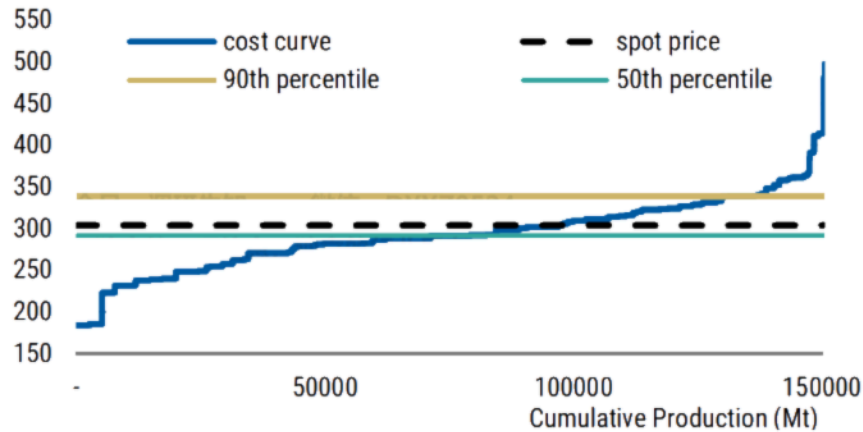
Source: Bloomberg

**Exhibit 51:** Aluminium C1 Cost Curve vs Spot (\$/t)



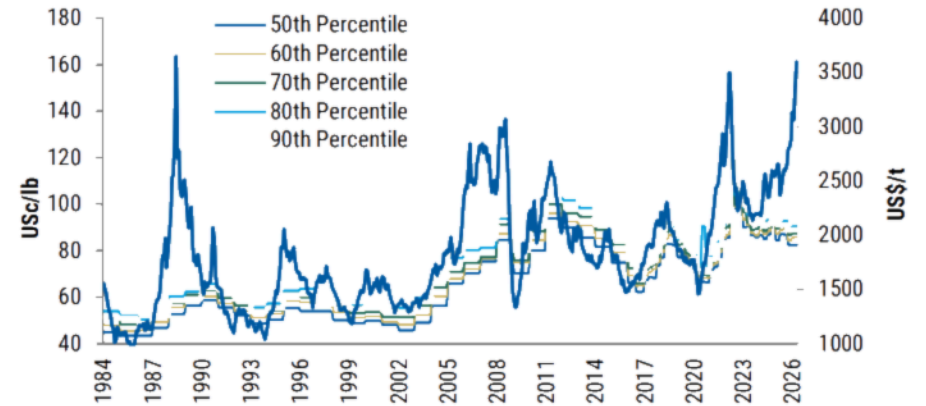
Source: Wood Mackenzie

**Exhibit 53:** Alumina Total Cost Curve vs Spot (\$/t)



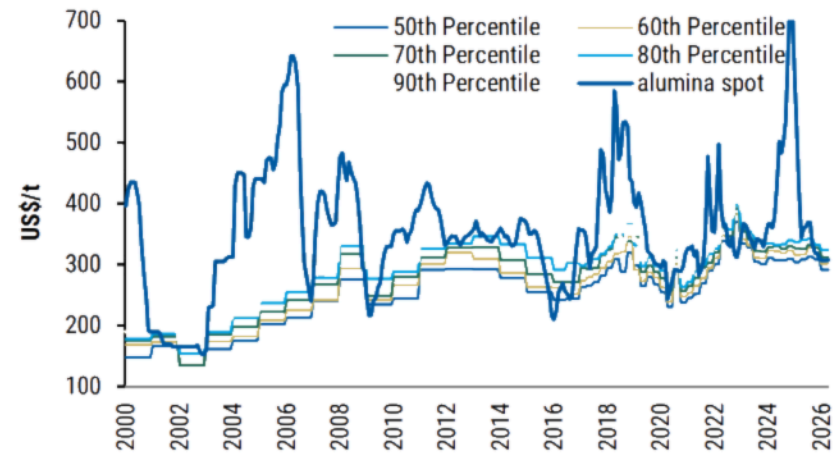
Source: Wood Mackenzie

**Exhibit 52:** Aluminium Cost Curve Evolution



Source: Wood Mackenzie

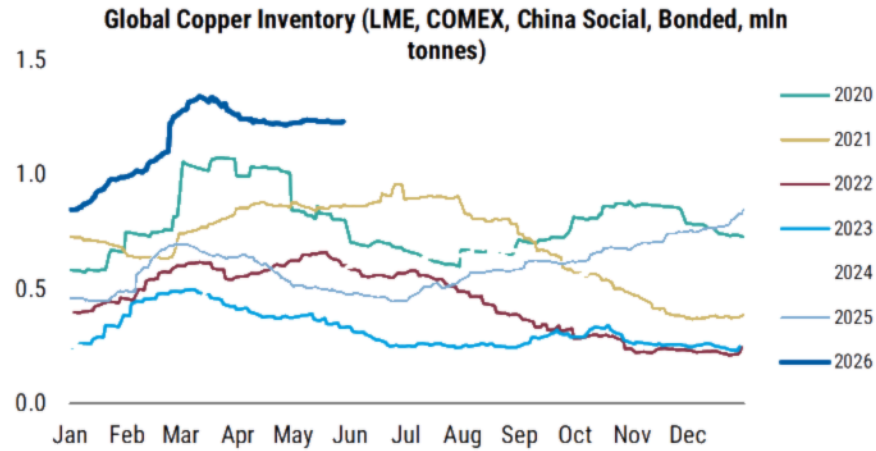
**Exhibit 54:** Alumina Cost Curve Evolution



Source: Wood Mackenzie

# Copper

**Exhibit 55:** Global Copper Inventories



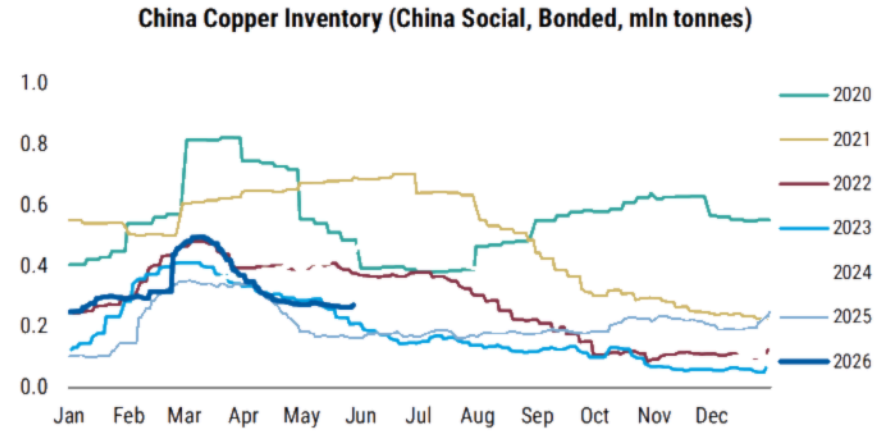
Source: Bloomberg

**Exhibit 57:** Copper Price versus China Apparent Consumption



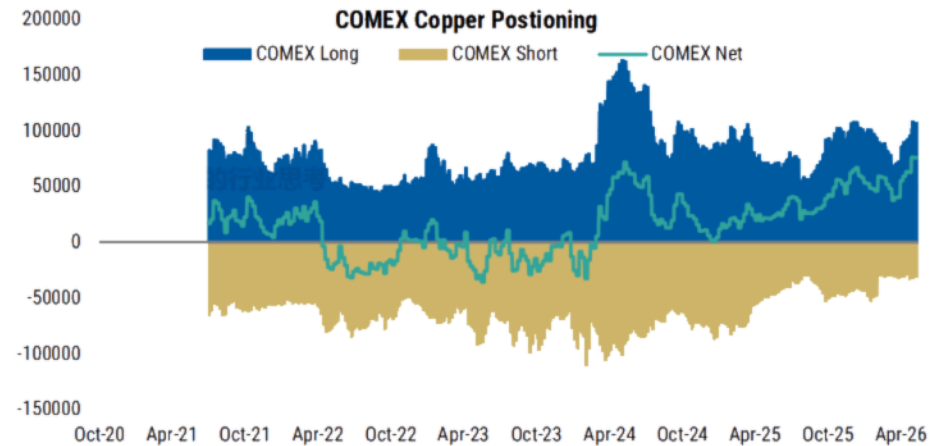
Source: Bloomberg, Morgan Stanley Research

**Exhibit 56:** China Copper Inventories



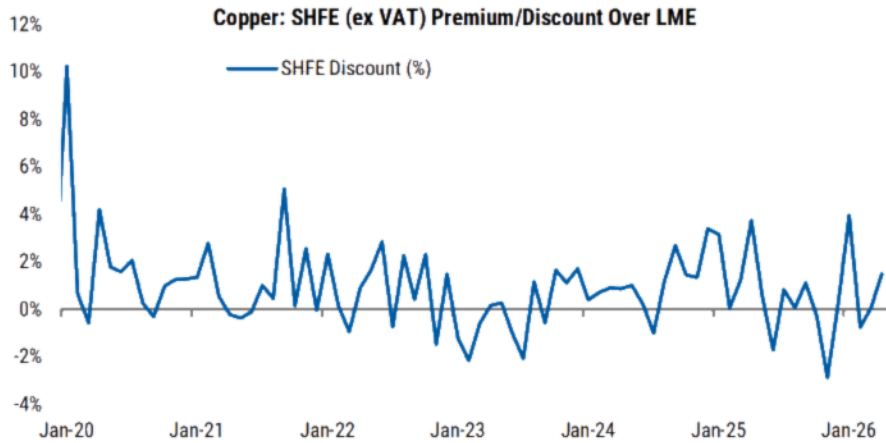
Source: Bloomberg

**Exhibit 58:** Copper CFTC Positioning



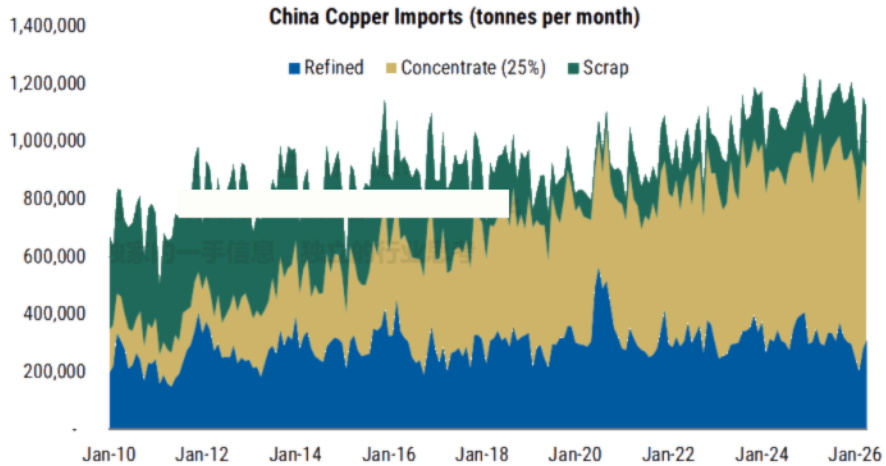
Source: COMEX

**Exhibit 59:** Price Differentials: SHFE vs LME



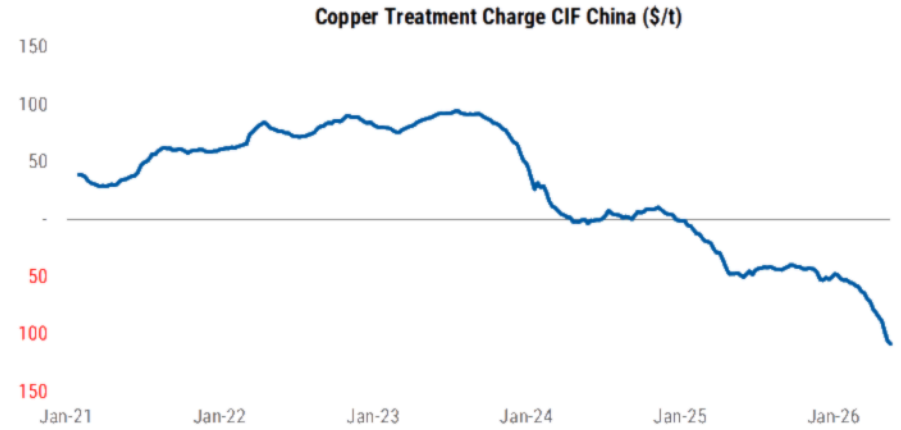
Source: Bloomberg

**Exhibit 61:** Raw materials: China's copper concentrate, refined and scrap monthly import



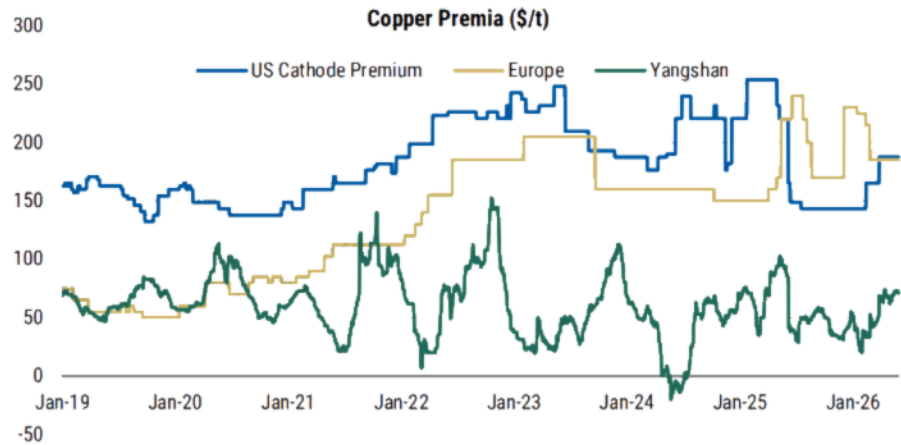
Source: China Customs, Morgan Stanley Research

**Exhibit 60:** Copper treatment charges (TCs)



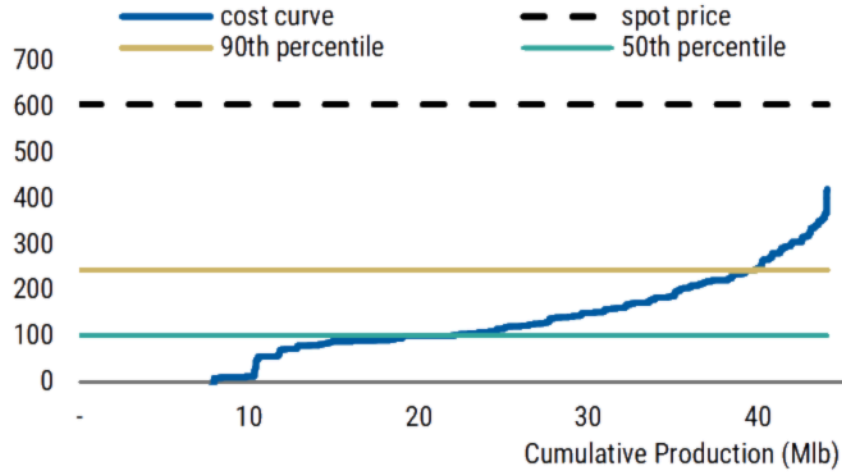
Source: Platts Bloomberg

**Exhibit 62:** Physical Demand: Copper Premia By Region



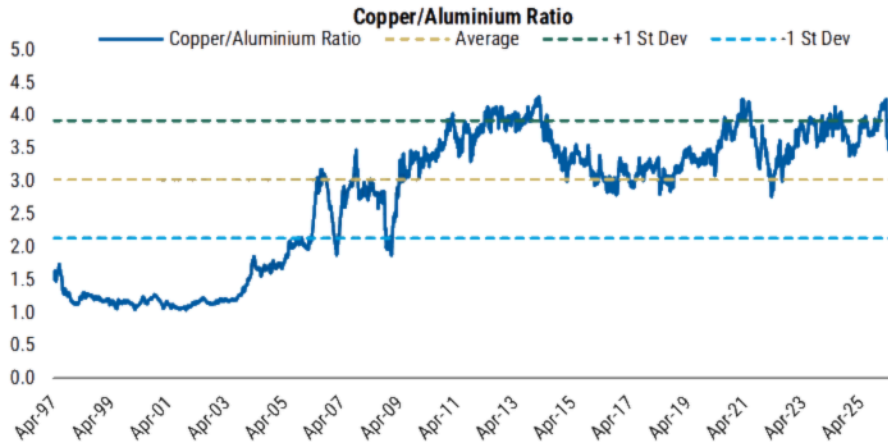
Source: Argus, Bloomberg

**Exhibit 63:** Copper C1 Cost Curve vs Spot (US\$/lb)



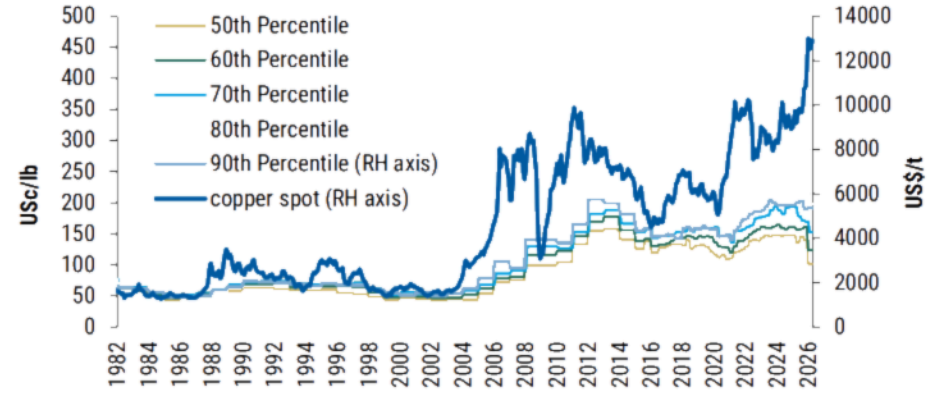
Source: Wood Mackenzie

**Exhibit 65:** Copper: Aluminium Ratio



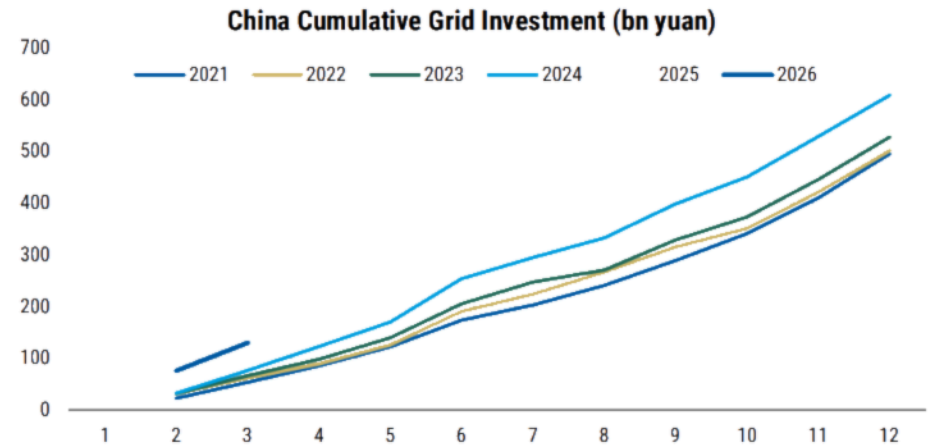
Source: Bloomberg, Morgan Stanley Research

**Exhibit 64:** Copper Cost Curve Evolution



Source: Wood Mackenzie

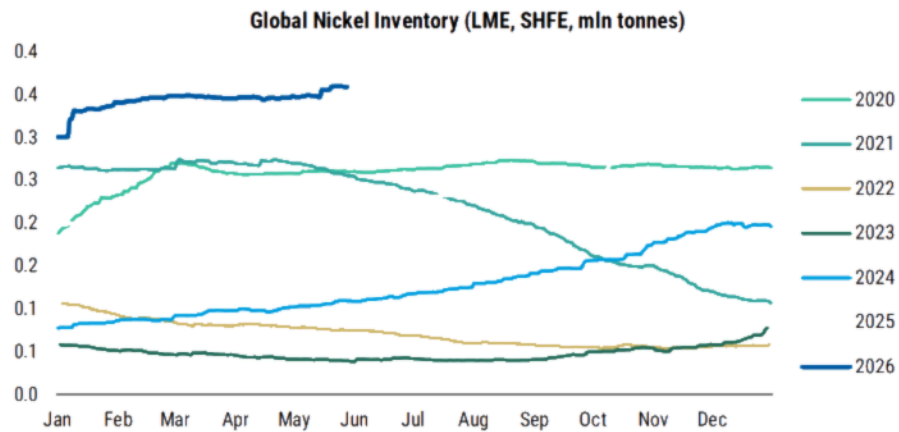
**Exhibit 66:** China Grid Investment



Source: Bloomberg, Morgan Stanley Research

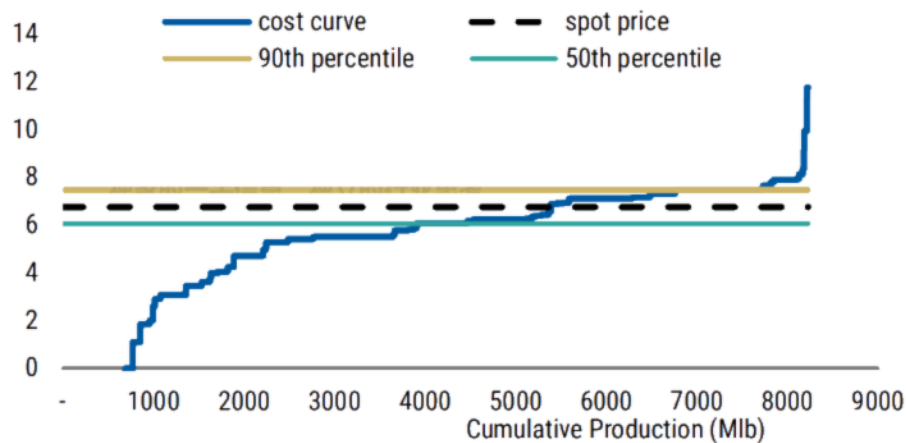
# Nickel

**Exhibit 67:** Global Nickel Inventories



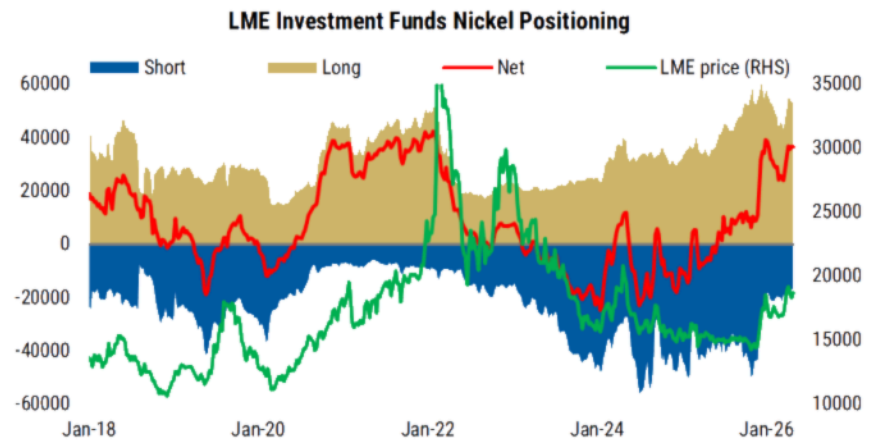
Source: Bloomberg

**Exhibit 69:** Nickel C1 Cost Curve vs Spot (US\$/lb)



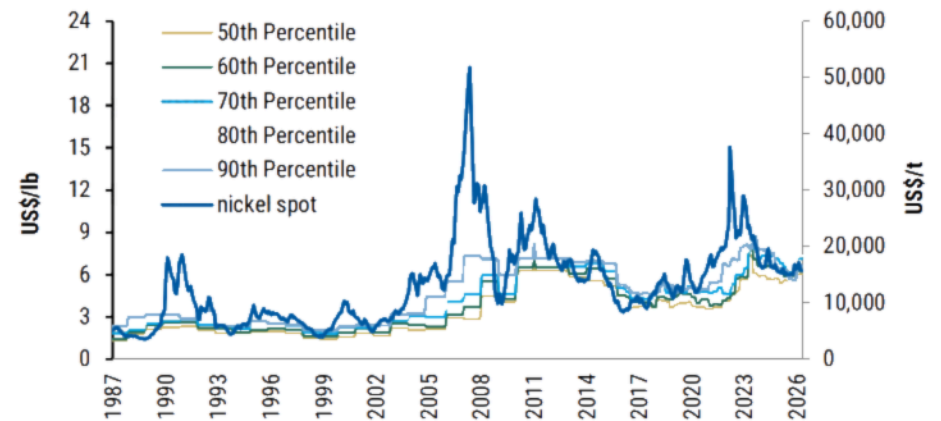
Source: Wood Mackenzie

**Exhibit 68:** LME Nickel Positioning



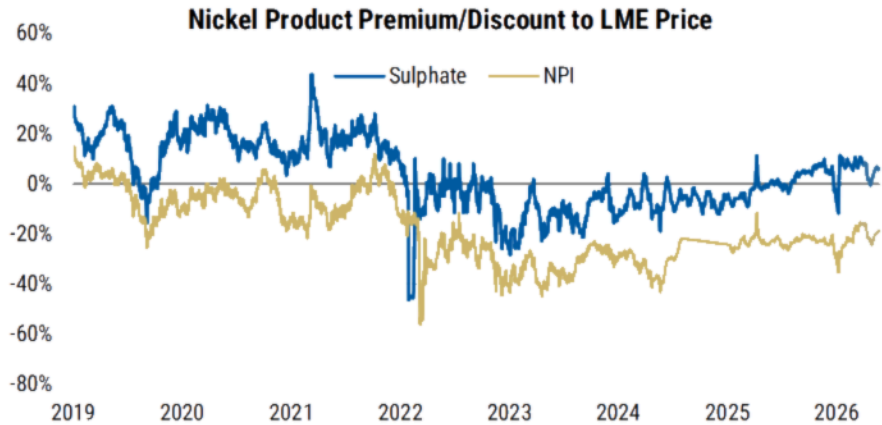
Source: Bloomberg

**Exhibit 70:** Nickel Cost Curve Evolution



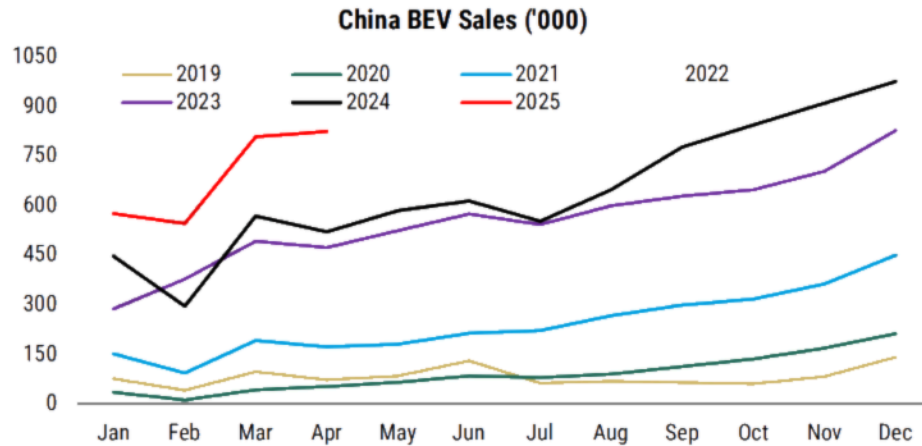
Source: Wood Mackenzie

Exhibit 71: Nickel Product Spreads vs LME Price



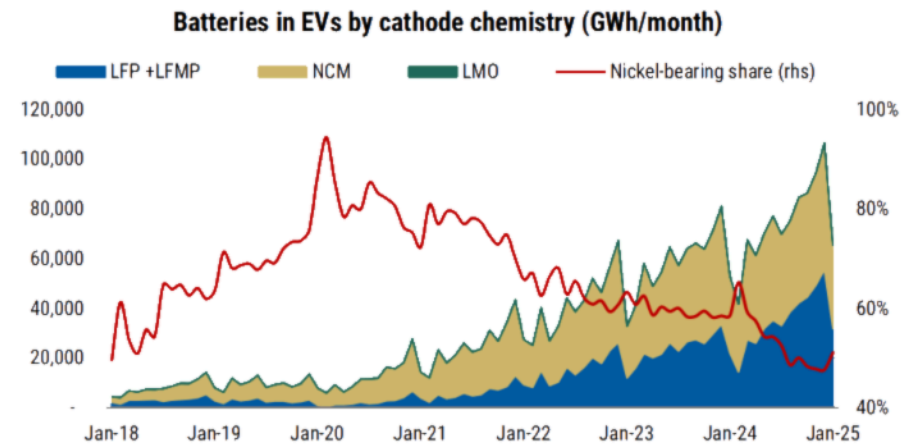
Source: Arqus Metals

Exhibit 73: China NEV Sales



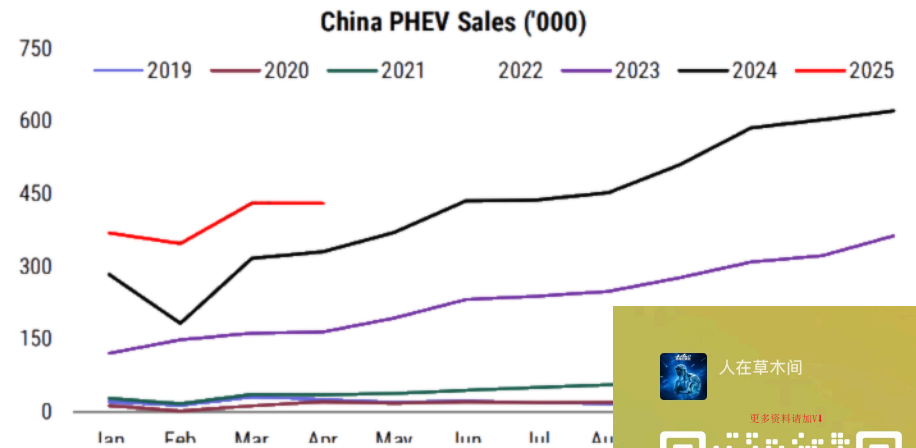
Source: CLIC, CAAM

Exhibit 72: Global Battery Deployment by Chemistry



Source: Rho Motion

Exhibit 74: China PHEV Sales

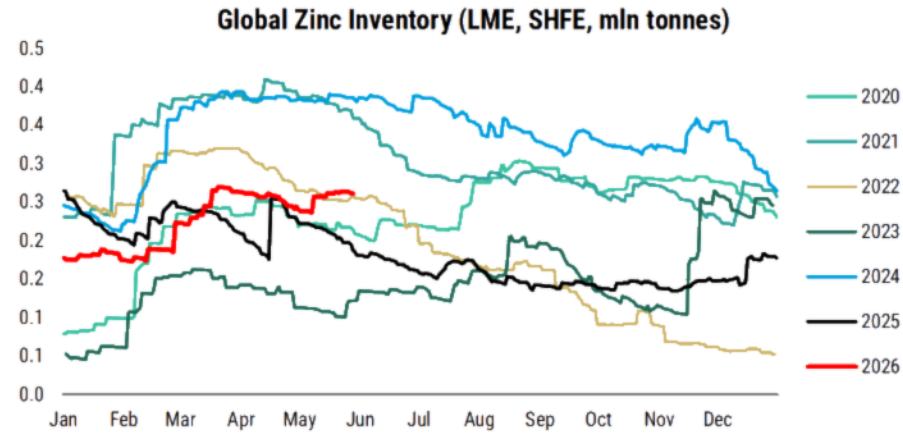


Source: CLIC, CAAM



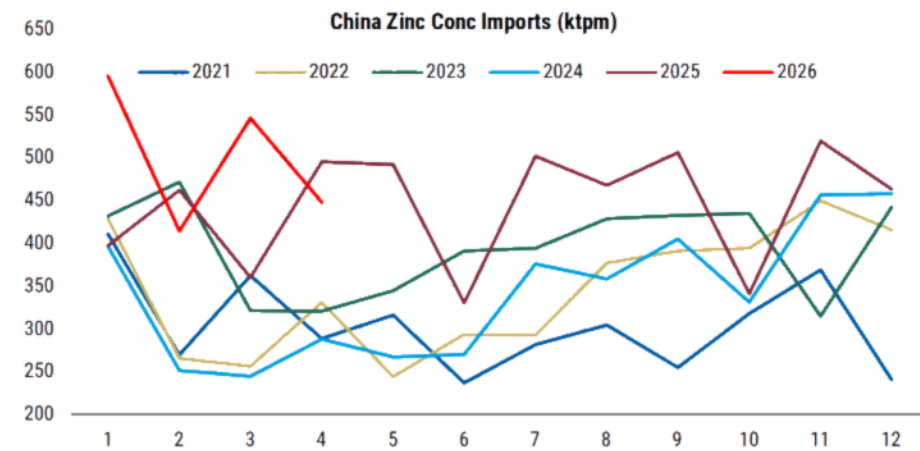
# Zinc

**Exhibit 75:** Global Zinc Inventories



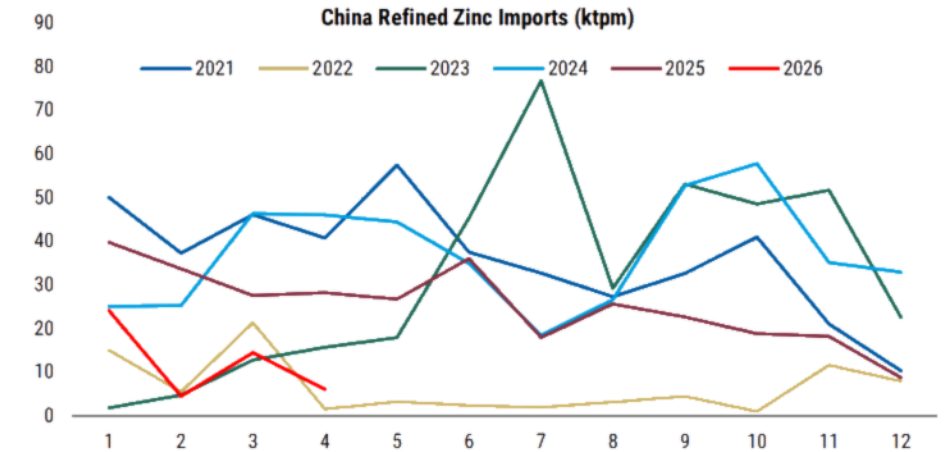
Source: Bloomberg

**Exhibit 77:** China Zinc Concentrate Imports



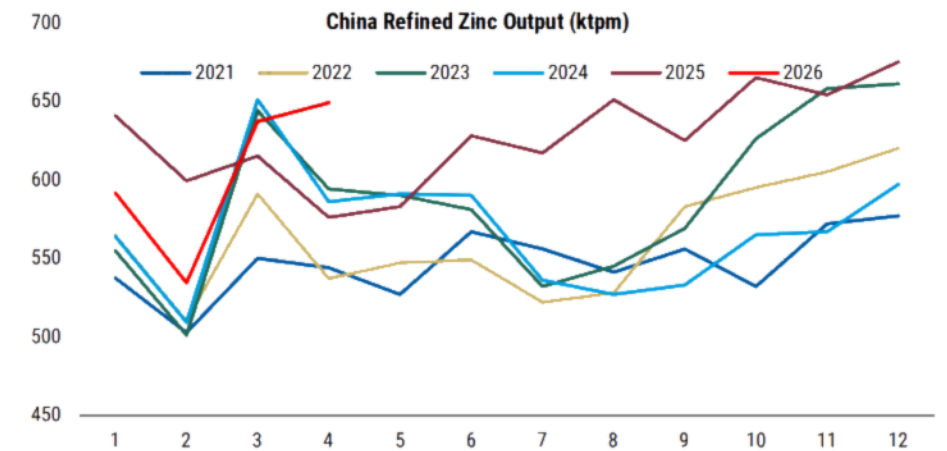
Source: Bloomberg

**Exhibit 76:** China Refined Zinc Imports



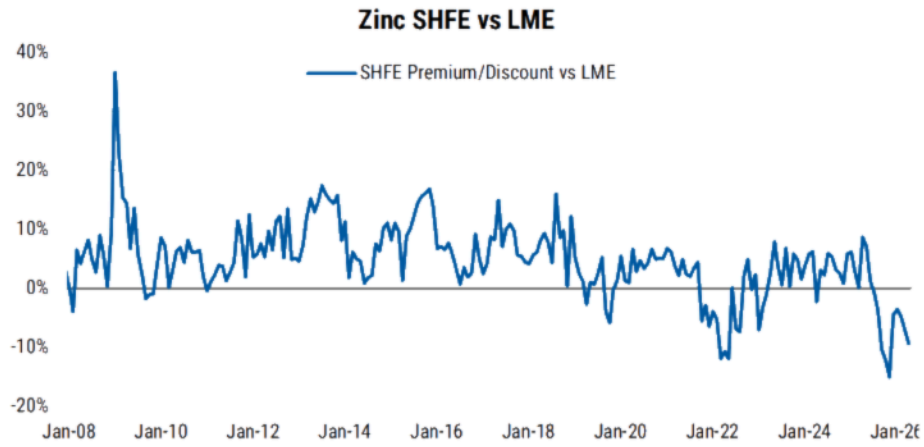
Source: Bloomberg

**Exhibit 78:** China Refined Zinc Output



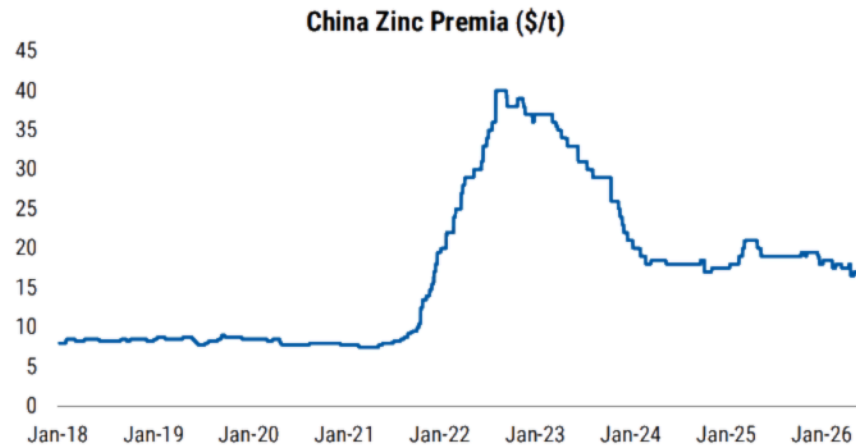
Source: Bloomberg

**Exhibit 79:** Price Differentials: SHFE vs LME



Source: Bloomberg

**Exhibit 81:** Zinc Premia



Source: Bloomberg

**Exhibit 80:** Zinc Treatment Charges



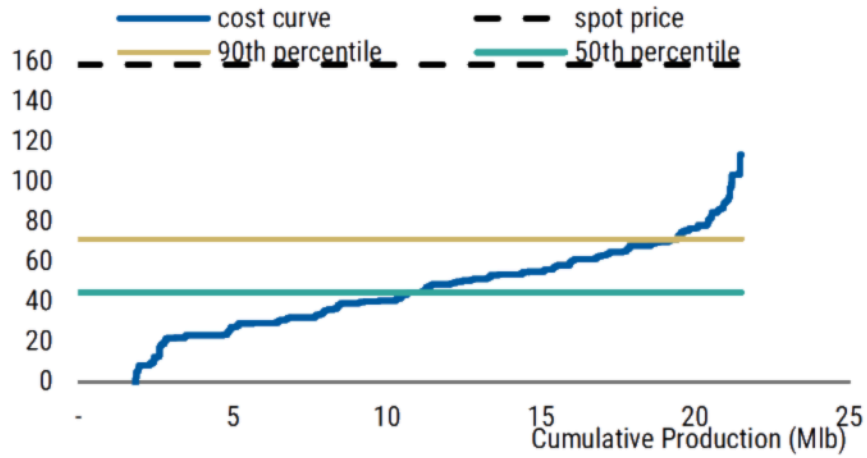
Source: Bloomberg

**Exhibit 82:** Zinc/Lead Ratio



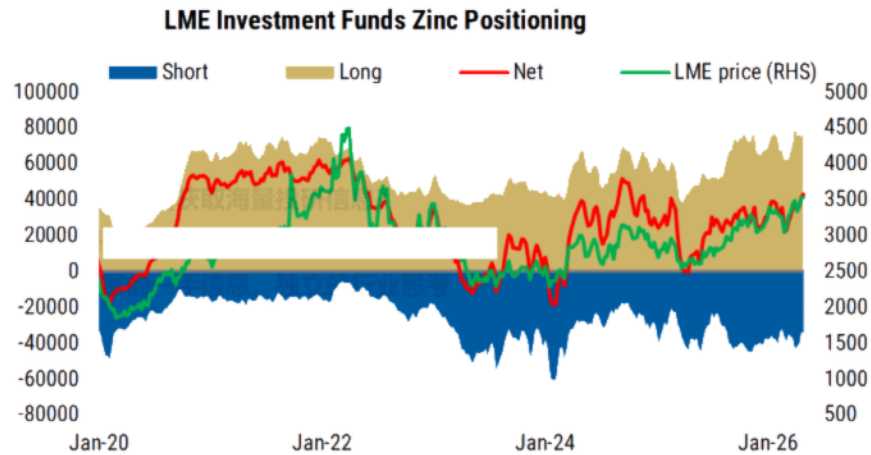
Source: Bloomberg

**Exhibit 83:** Zinc C1 Cost Curve vs Spot (\$/t)



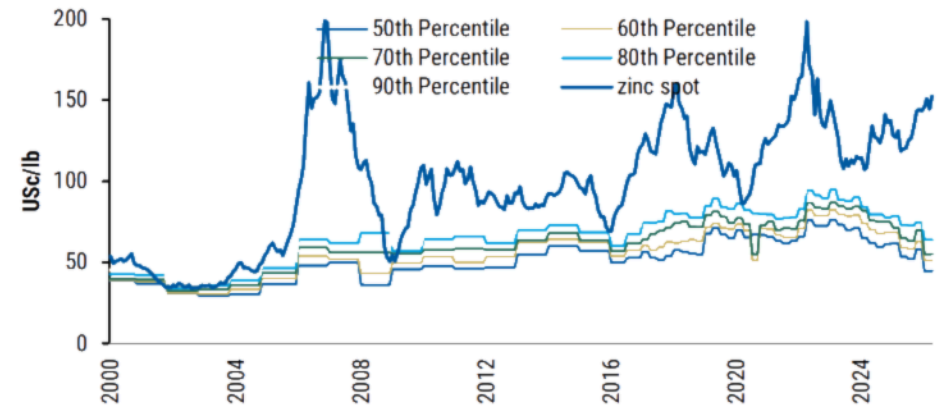
Source: Woodmac

**Exhibit 85:** Zinc Positioning



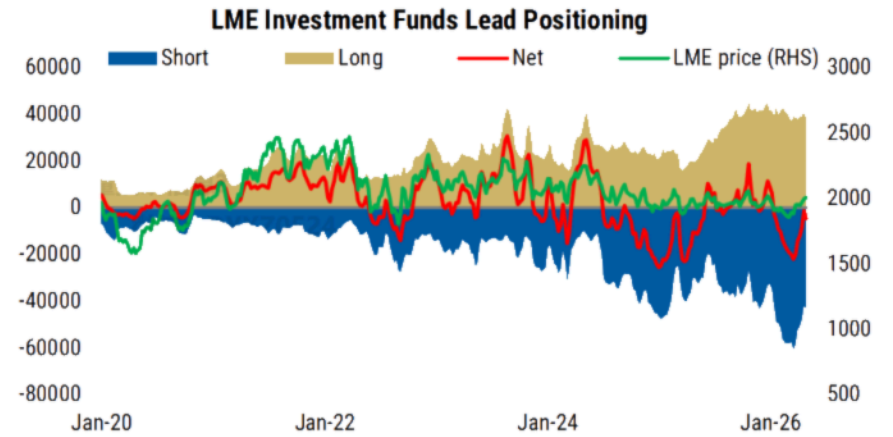
Source: Bloomberg

**Exhibit 84:** Zinc Cost Curve Evolution



Source: Woodmac

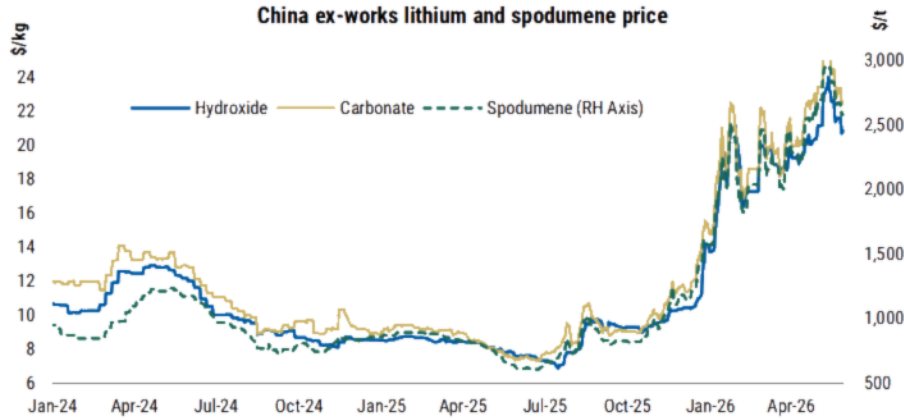
**Exhibit 86:** Lead Positioning



Source: Bloomberg

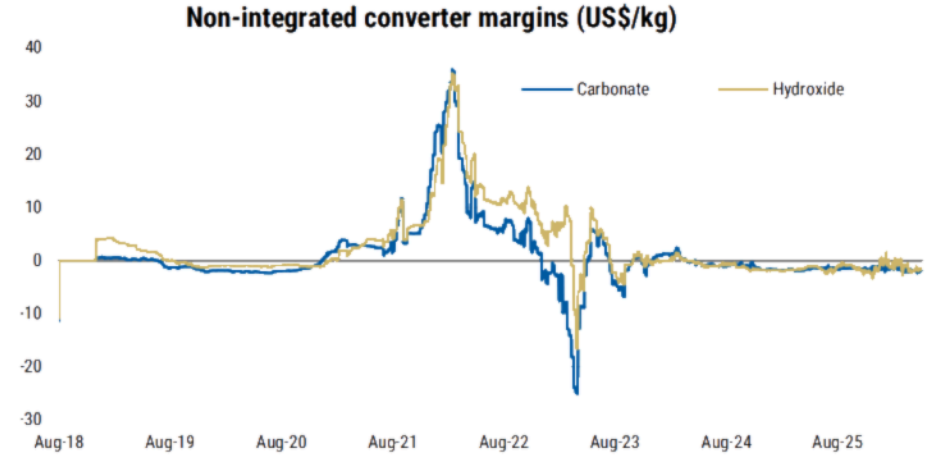
# Lithium

**Exhibit 87:** Lithium Chemical Prices



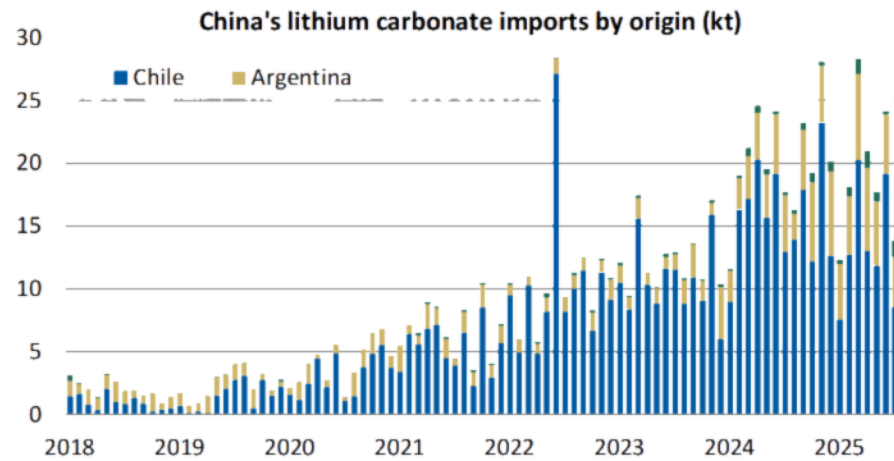
Source: Fastmarkets, Morgan Stanley Research

**Exhibit 88:** Non-integrated Converter Margins



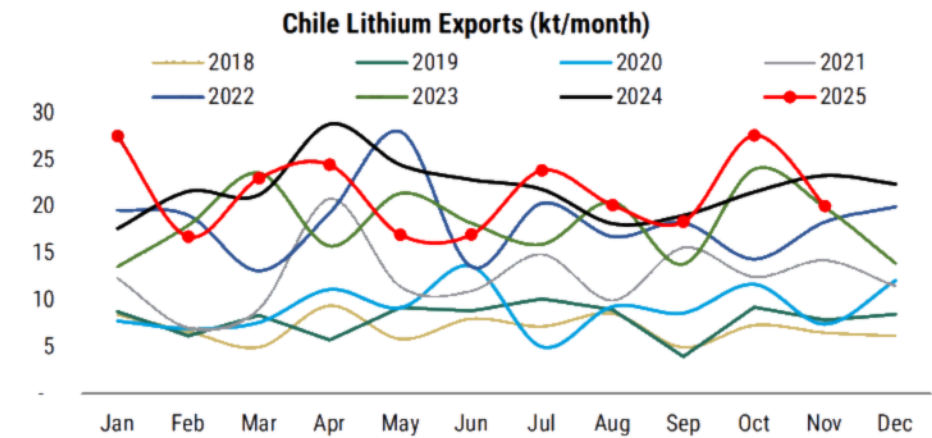
Source: Fastmarkets, Morgan Stanley Research

**Exhibit 89:** China Lithium Carbonate Imports



Source: Rystad, Morgan Stanley Research

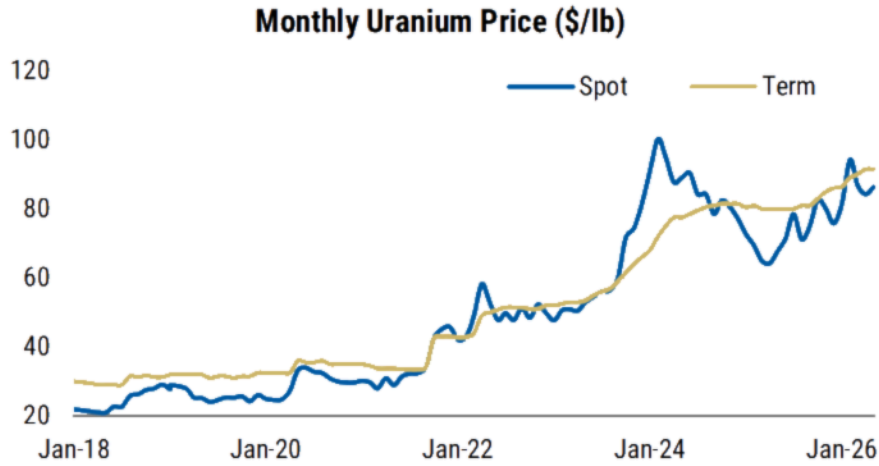
**Exhibit 90:** Chile Lithium Exports



Source: Chile Customs, Morgan Stanley Research

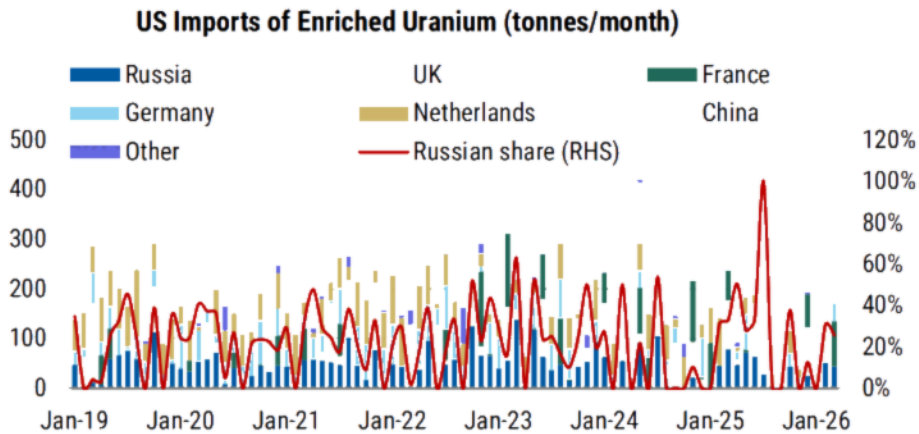
# Uranium

**Exhibit 91:** Uranium Price (Spot and Term)



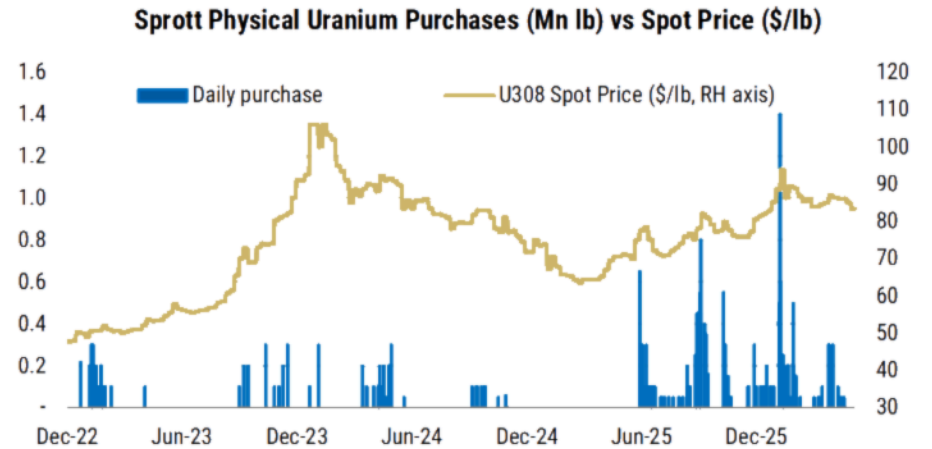
Source: Cameco

**Exhibit 93:** US Enriched Uranium Imports



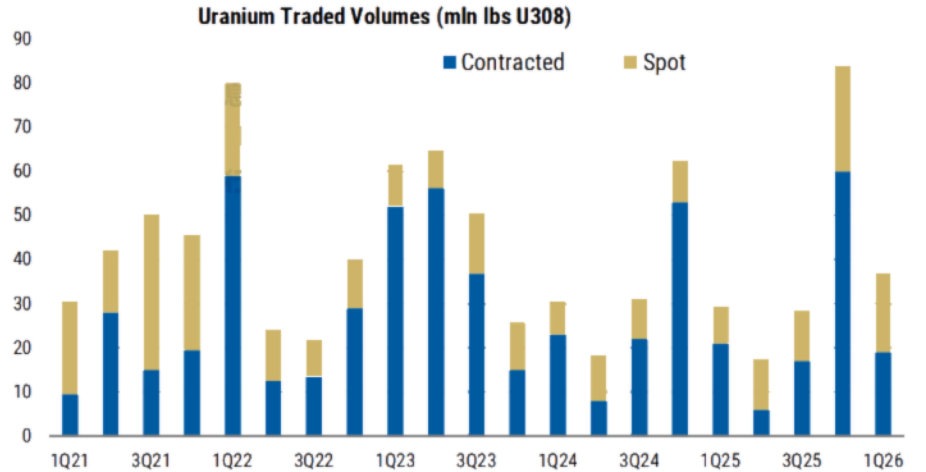
Source: Tracemap

**Exhibit 92:** Sprott ETF Purchases



Source: Sprott, JxC, Morgan Stanley Research

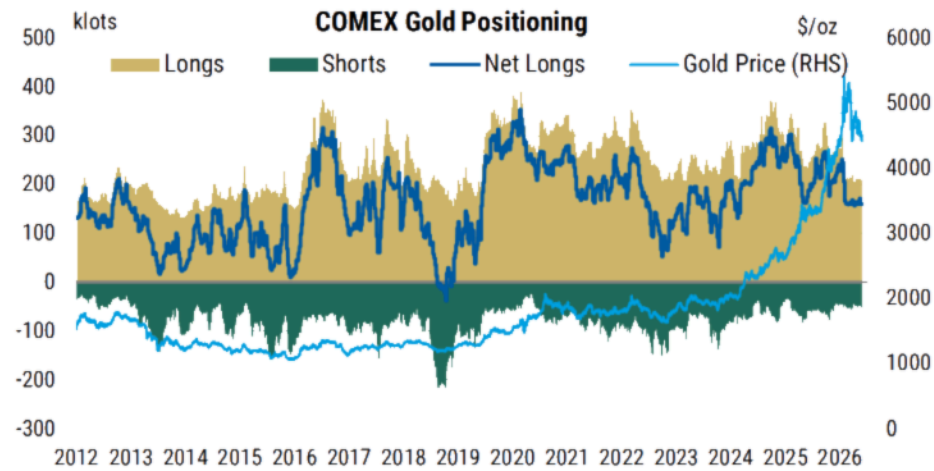
**Exhibit 94:** Quarterly contracting volumes



Source: Kazatomprom

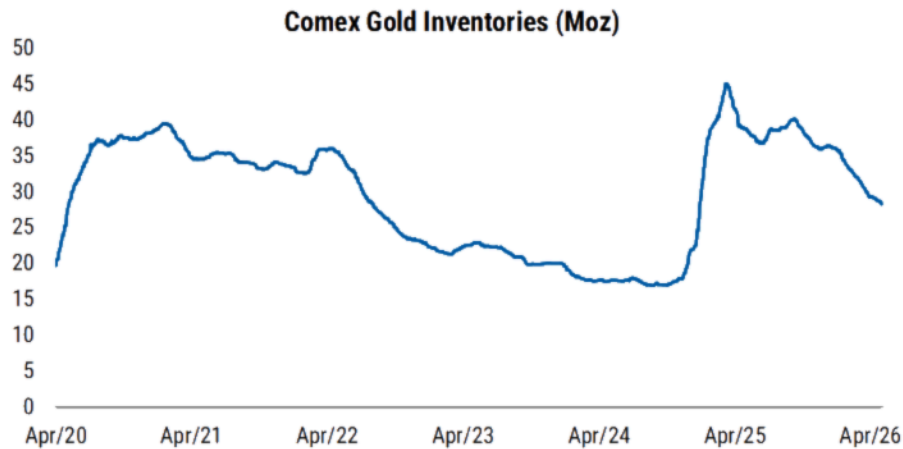
# Gold and Other Precious Metals

**Exhibit 95:** CFTC Gold Futures Positioning



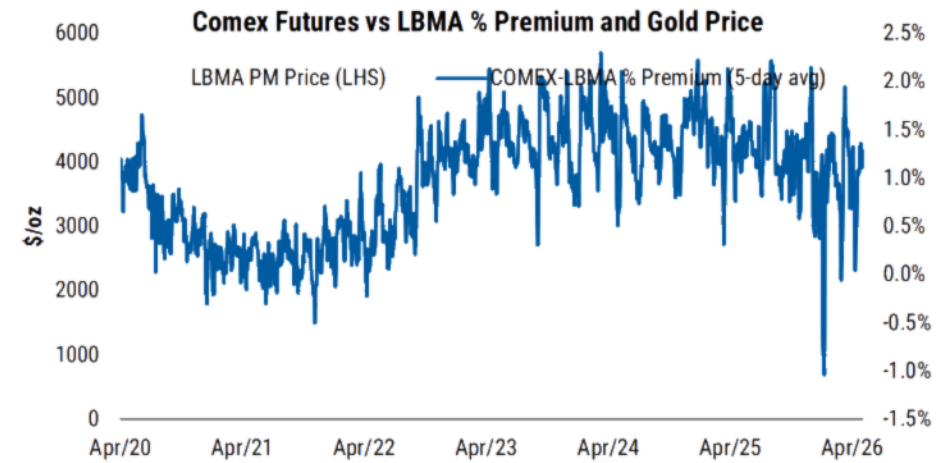
Source: Bloomberg

**Exhibit 97:** COMEX Gold Inventories



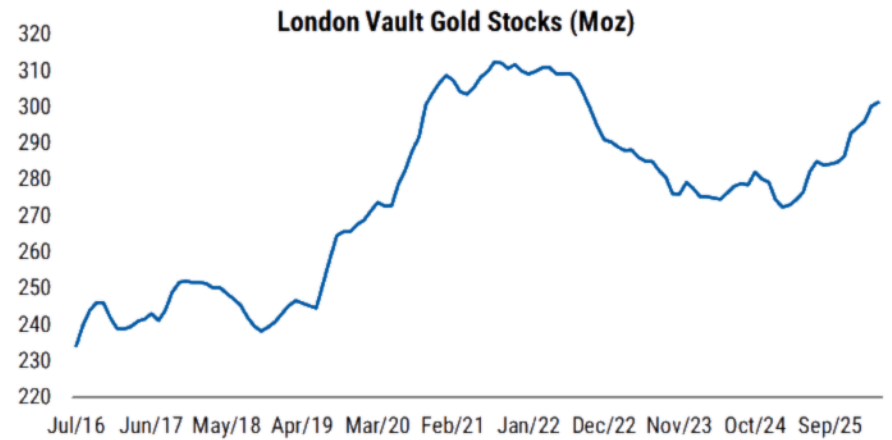
Source: Bloomberg

**Exhibit 96:** COMEX-LBMA Gold Premium



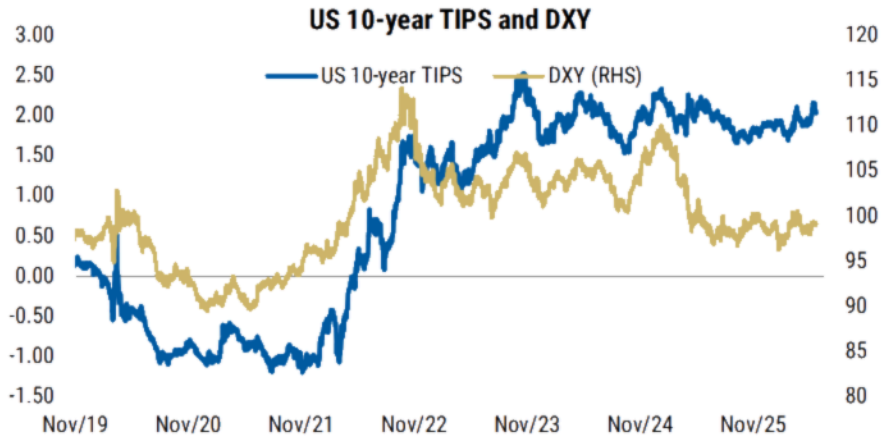
Source: Bloomberg

**Exhibit 98:** London Gold Vault Stocks



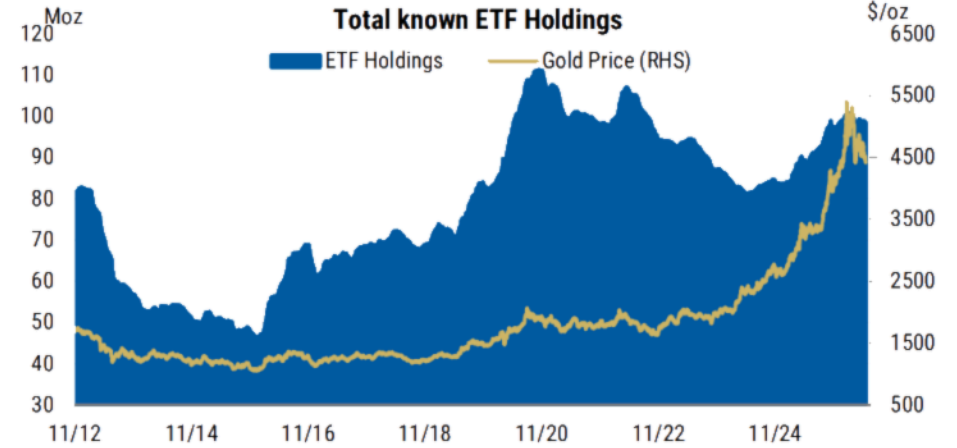
Source: BMA

Exhibit 99: US 10 Year TIPS and DXY



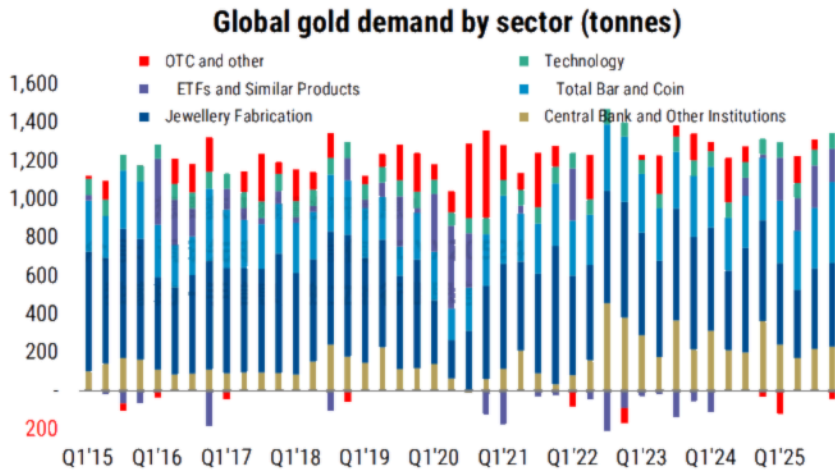
Source: Bloomberg

Exhibit 100: ETF Holdings vs Gold Price



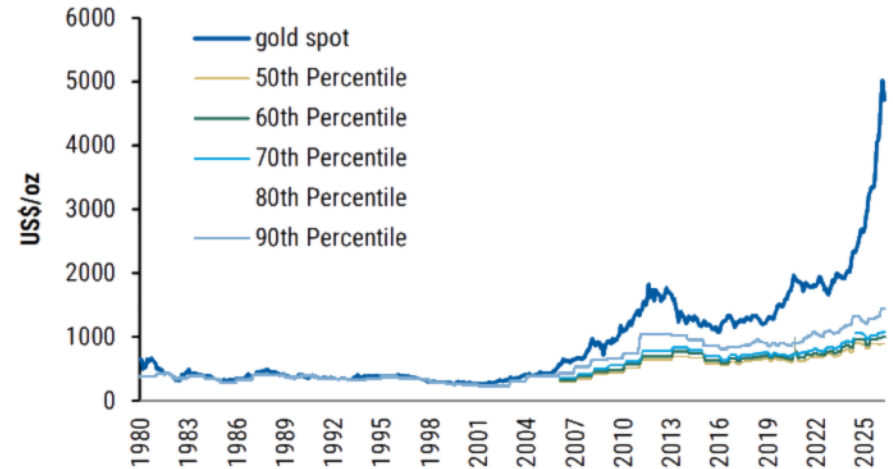
Source: Bloomberg

Exhibit 101: Global Gold Demand by Sector



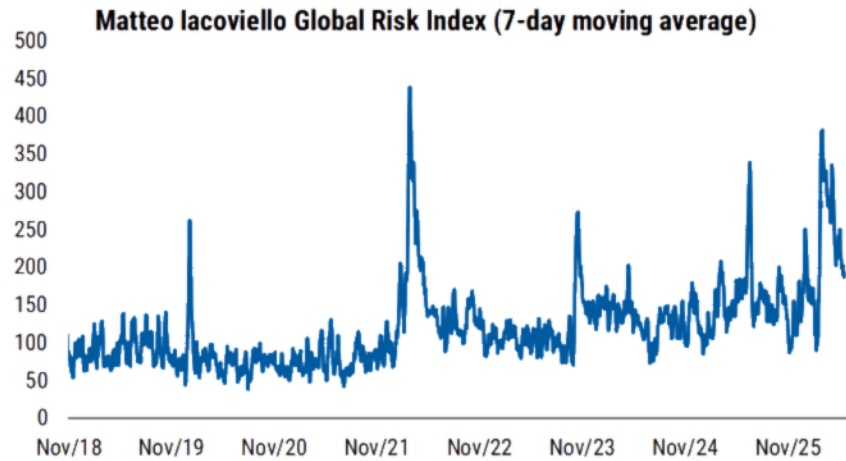
Source: World Gold Council

Exhibit 102: Gold Cost Curve Evolution



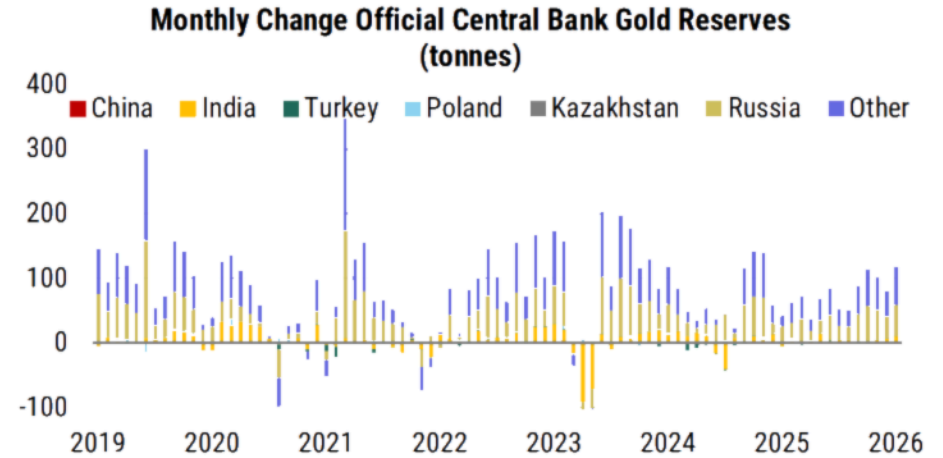
Source: Woodmac

Exhibit 103: Geopolitical Risk Index



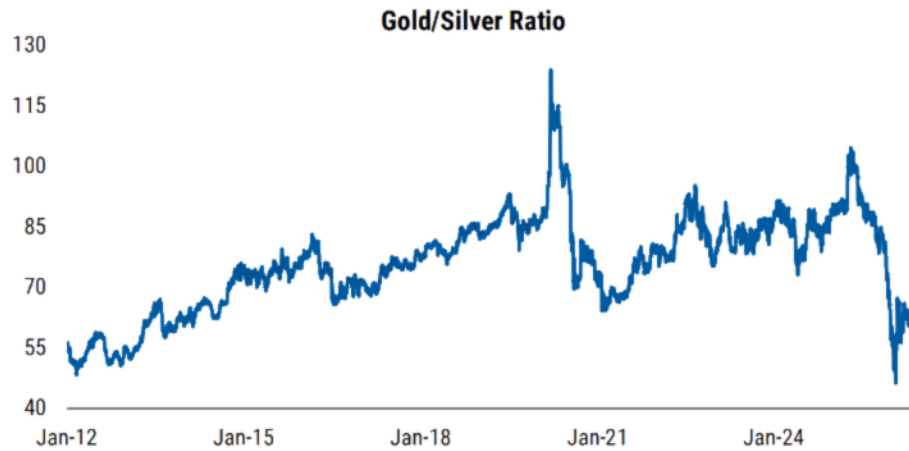
Source: Matteo Iacoviello

Exhibit 104: Monthly Central Bank Purchasing



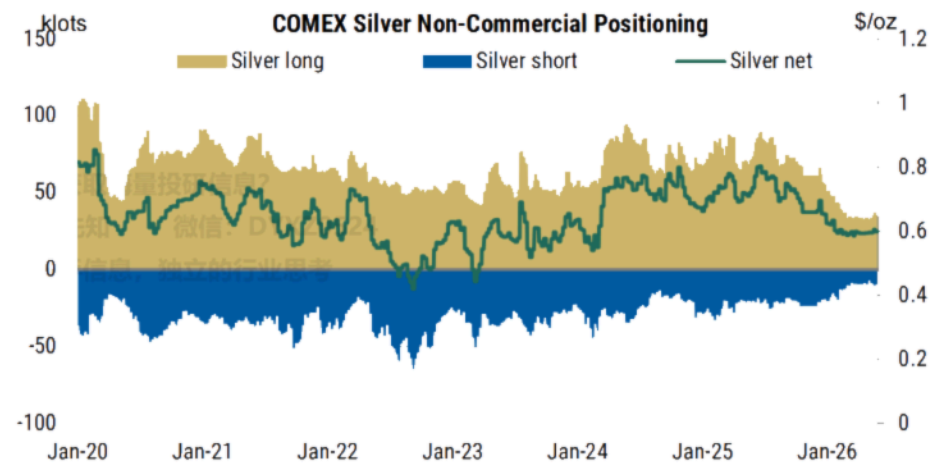
Source: World Gold Council

Exhibit 105: Gold/Silver Ratio



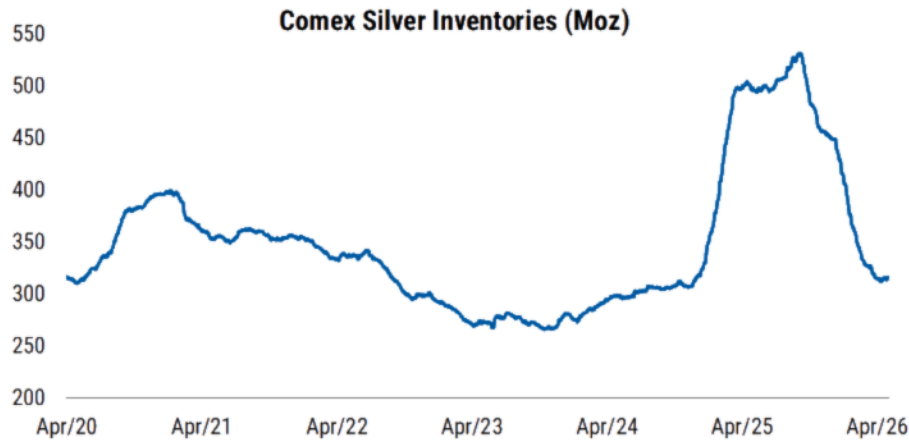
Source: Bloomberg

Exhibit 106: CFTC Silver Futures Positioning



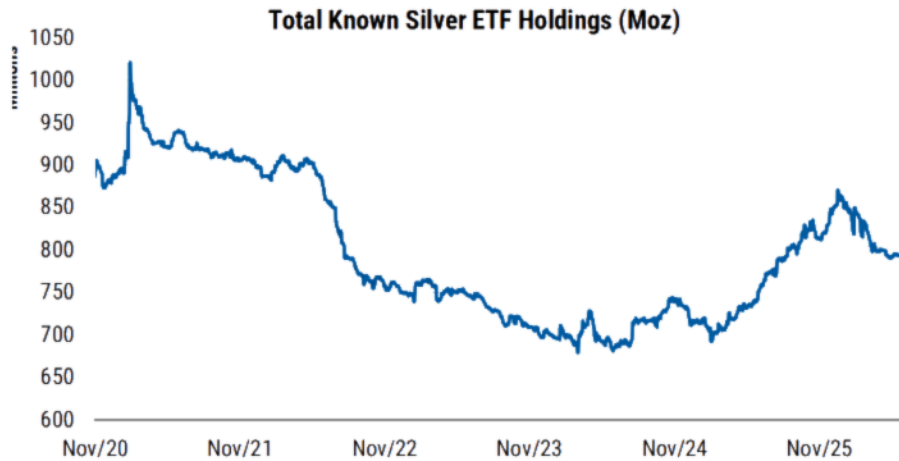
Source: Bloomberg

Exhibit 107: COMEX Silver Inventories



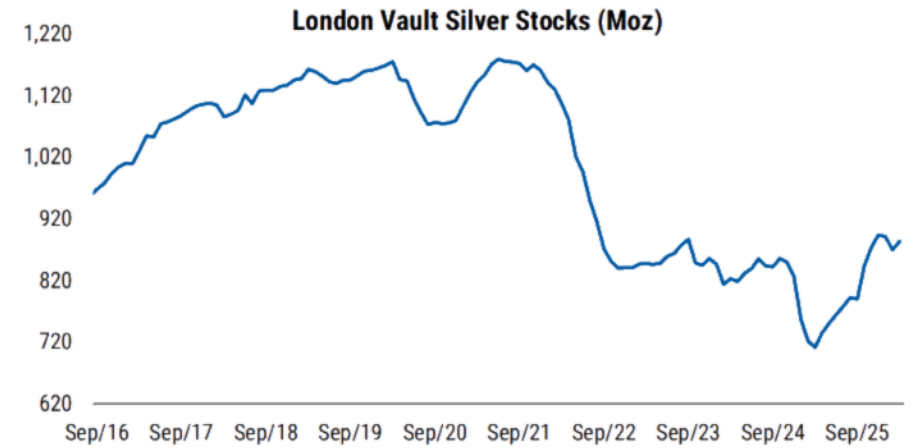
Source: Bloomberg

Exhibit 109: Total ETF Holdings



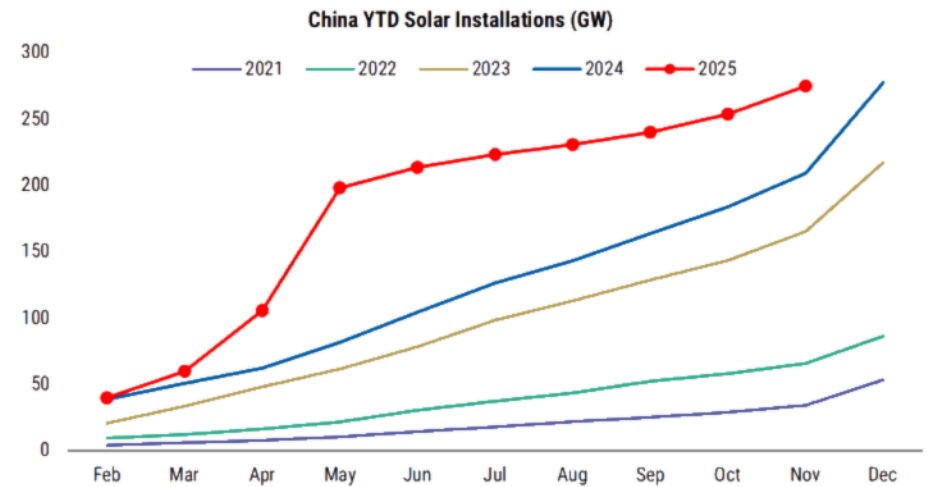
Source: Bloomberg

Exhibit 108: London Vault Silver Stocks



Source: LBMA

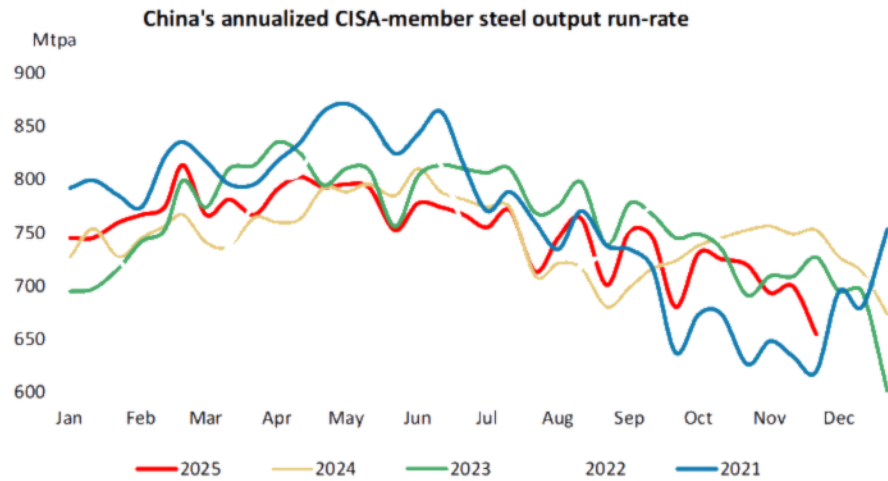
Exhibit 110: China Solar Installations



Source: Bloomberg

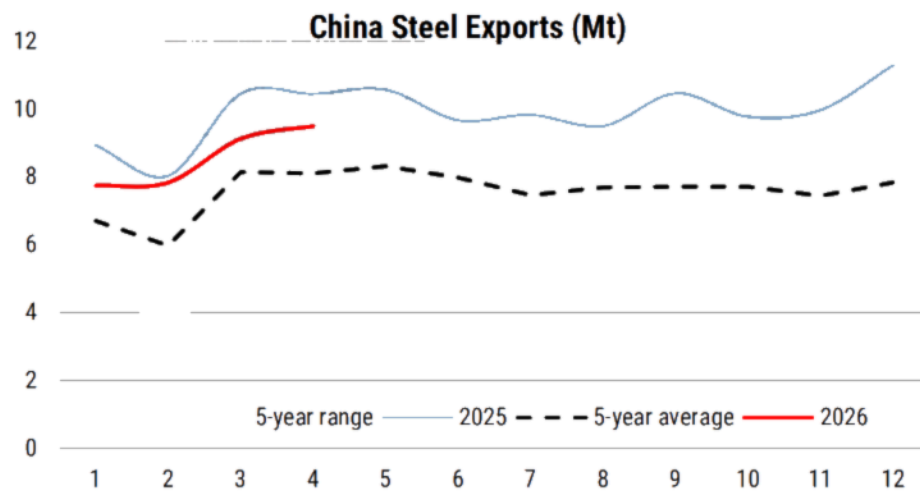
# Iron Ore & Steel

**Exhibit 111:** China CISA Steel Production



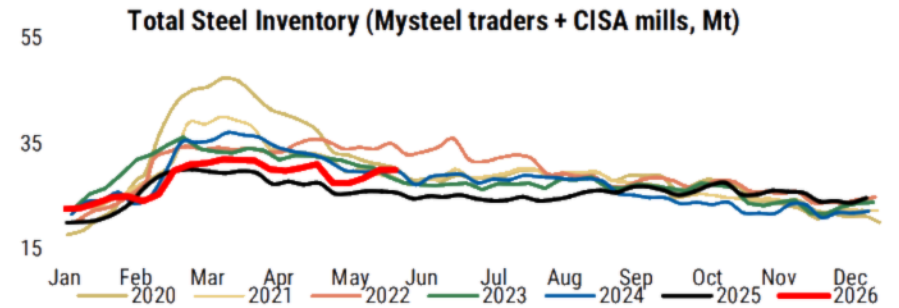
Source: CISA

**Exhibit 113:** China Steel Exports



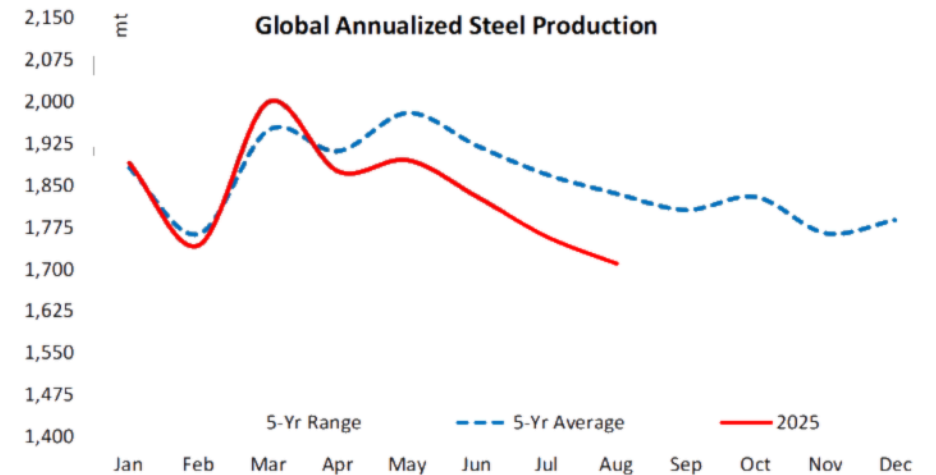
Source: Bloomberg

**Exhibit 112:** China Steel Inventory



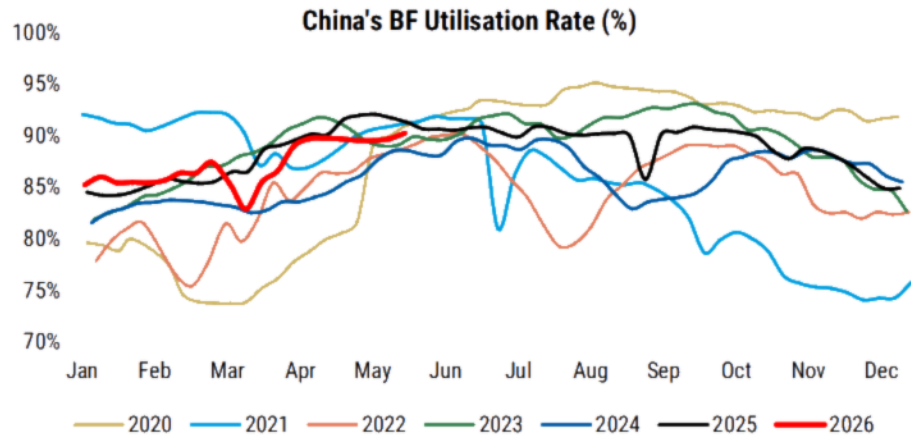
Source: Mysteel

**Exhibit 114:** Global Steel Production



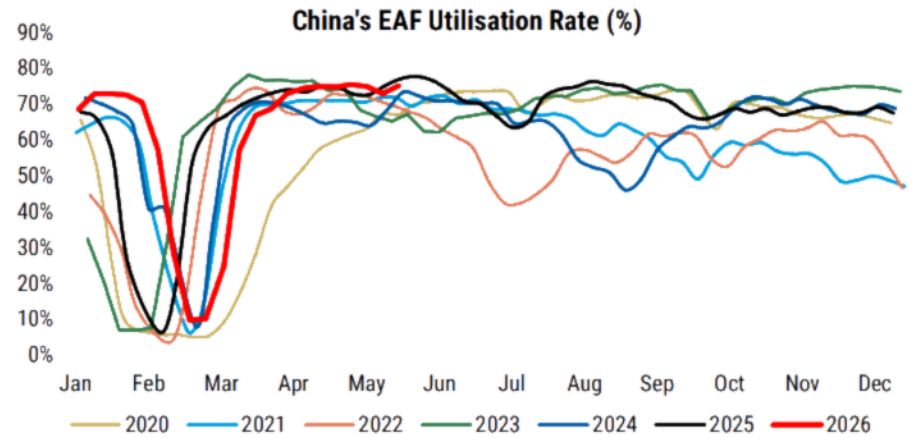
Source: WSA

Exhibit 115: China BF Utilisation Rate



Source: Mysteel

Exhibit 116: China EAF Utilisation Rate



Source: Mysteel

Exhibit 117: China Steel Scrap Ratio



Source: Bloomberg

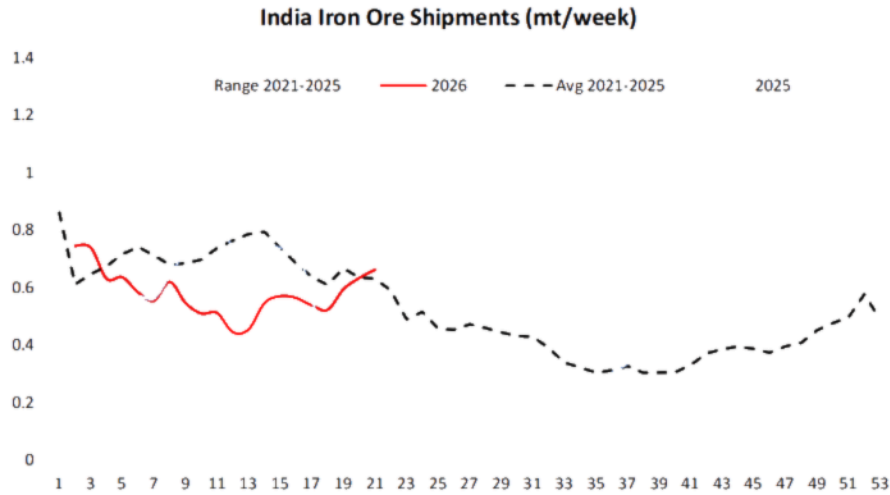
Exhibit 118: China Steel Mill Margin



Source: Mysteel

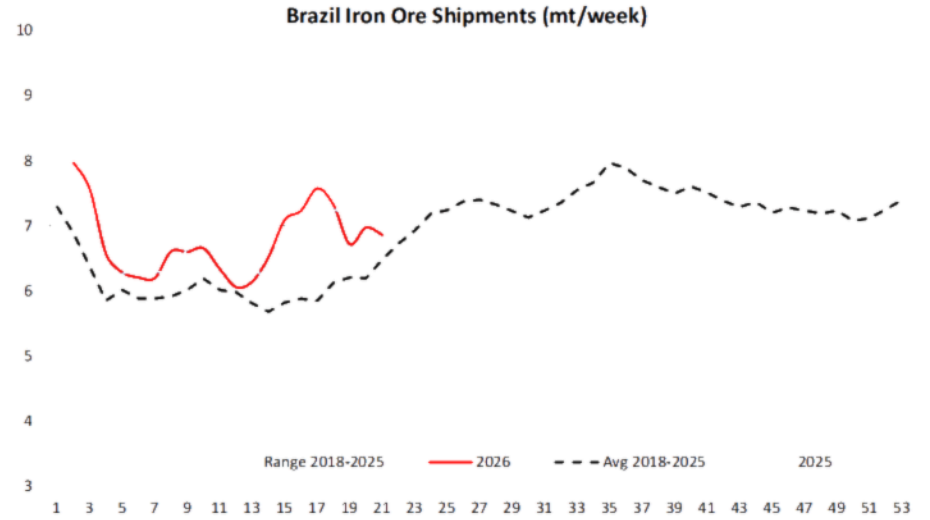


Exhibit 123: India Iron Ore Shipments



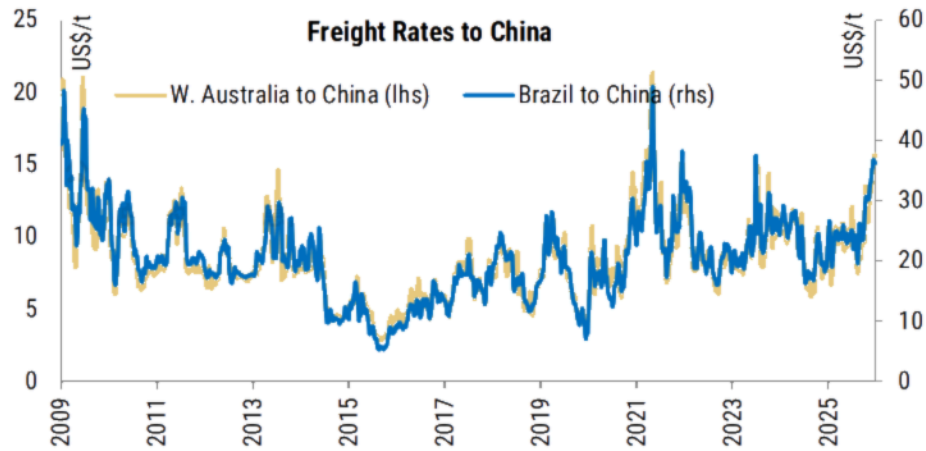
Source: Eikon

Exhibit 124: Brazil Iron Ore Shipments



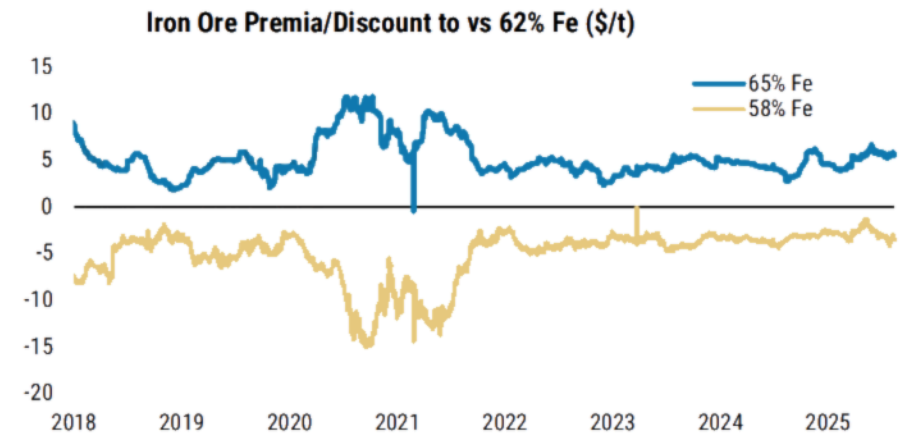
Source: Eikon

Exhibit 125: Freight Rates to China



Source: Bloomberg

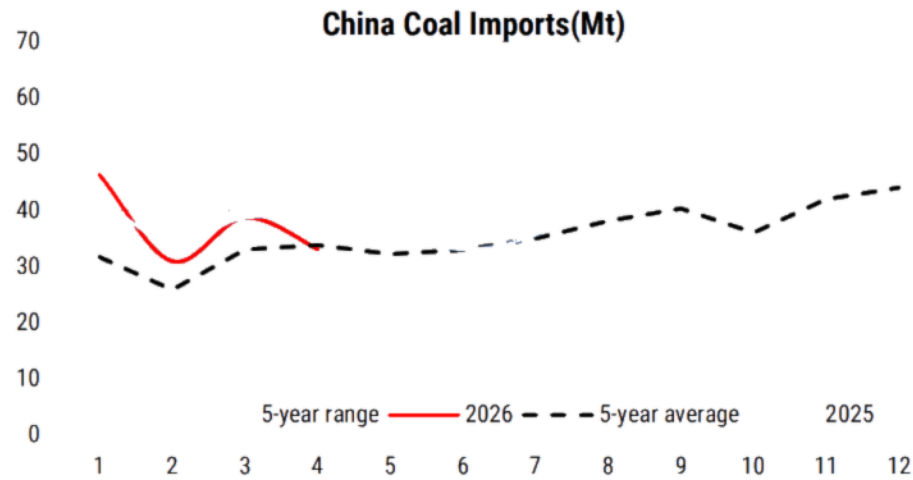
Exhibit 126: Iron Ore Premia/Discount



Source: Platts

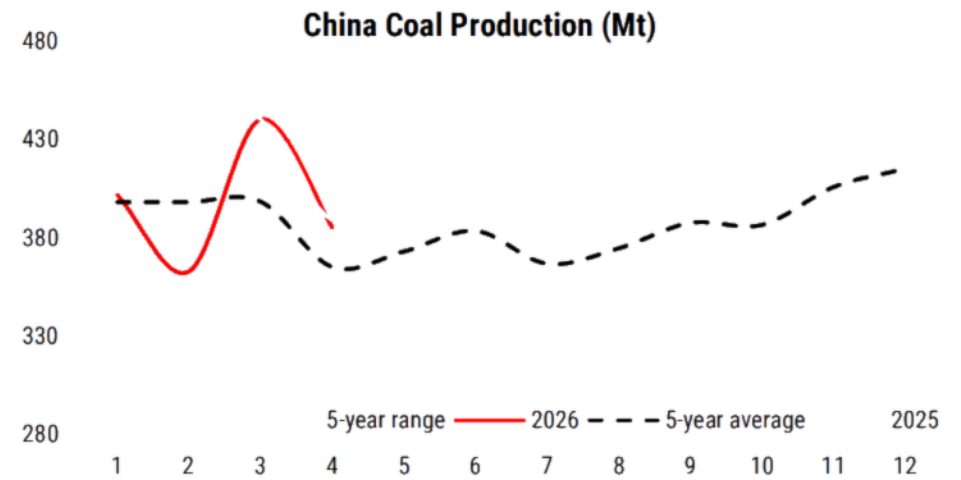
# Coal

Exhibit 127: China Coal Imports



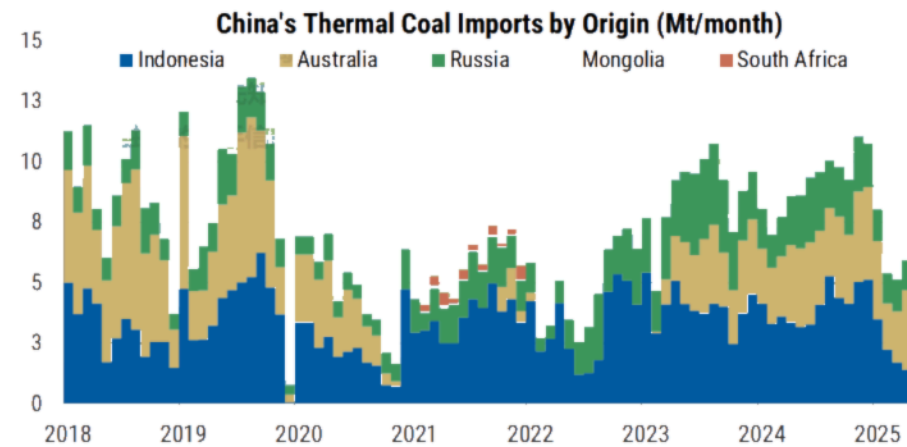
Source: Bloomberg

Exhibit 128: China Coal Production



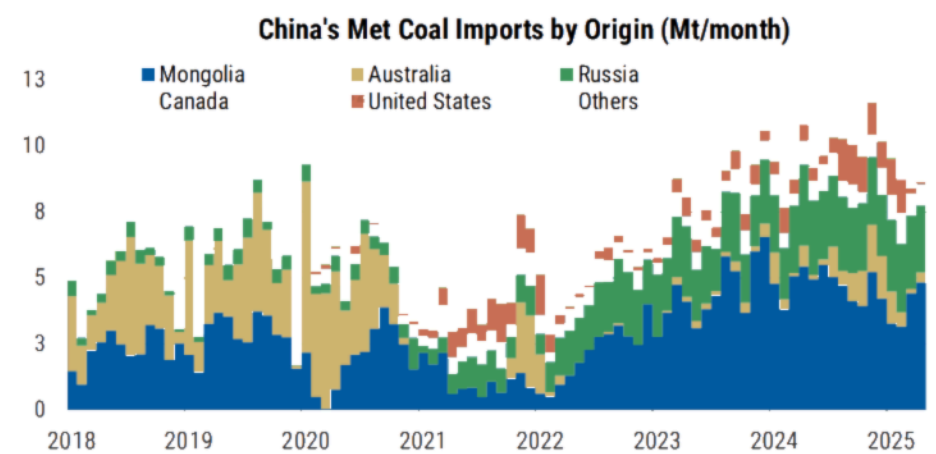
Source: Bloomberg

Exhibit 129: China Thermal Coal Imports



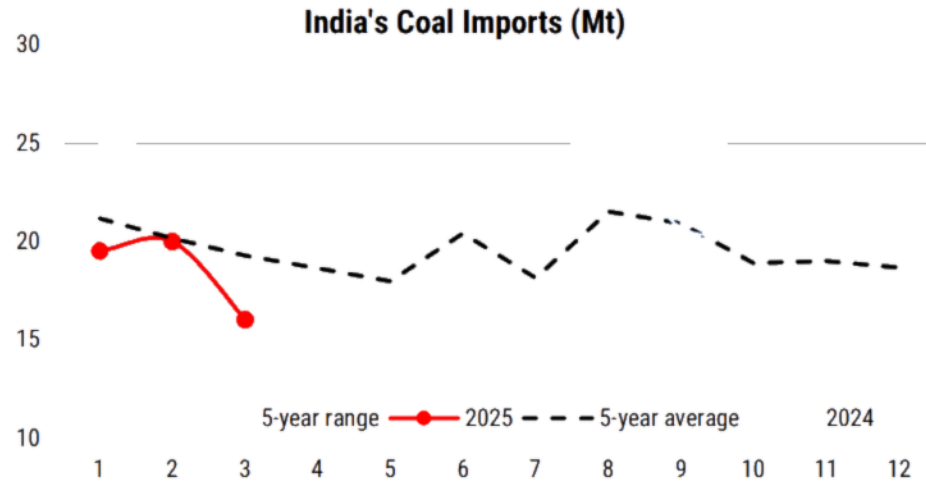
Source: McCloskey

Exhibit 130: China Met Coal Imports



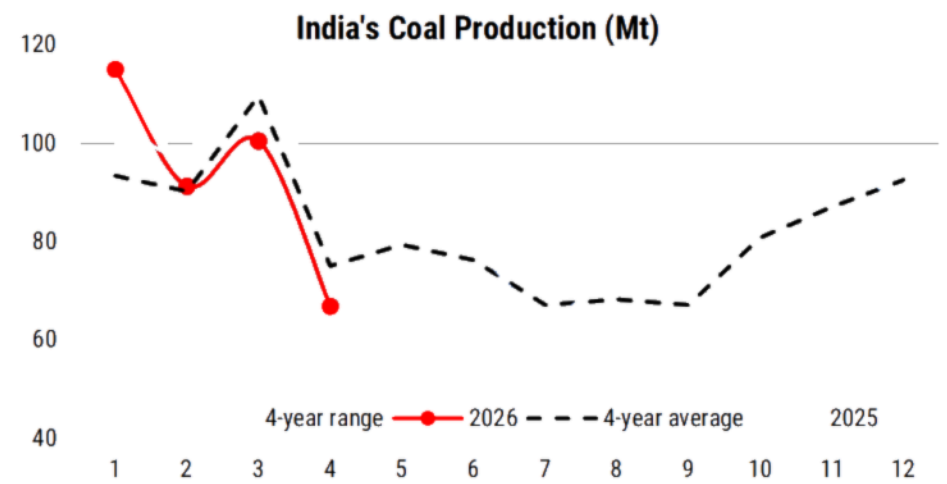
Source: McCloskey

Exhibit 131: India Coal Imports



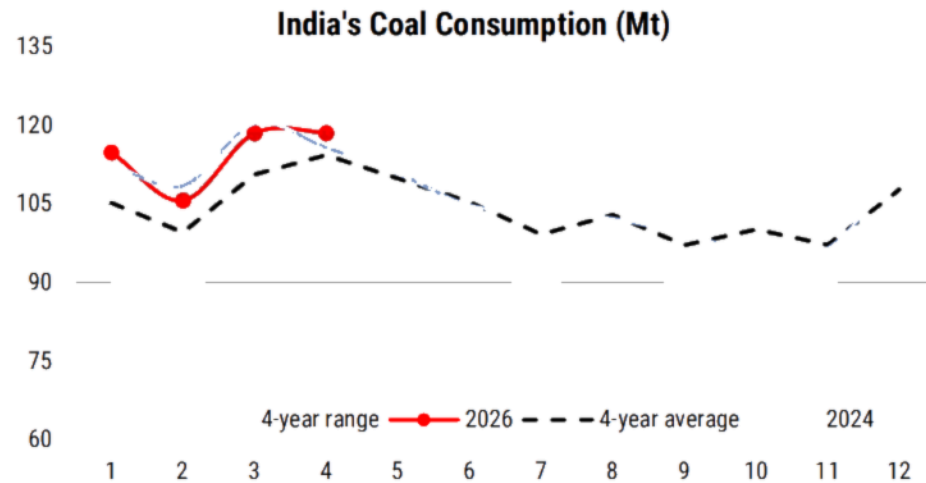
Source: McCloskey

Exhibit 132: India Coal Production



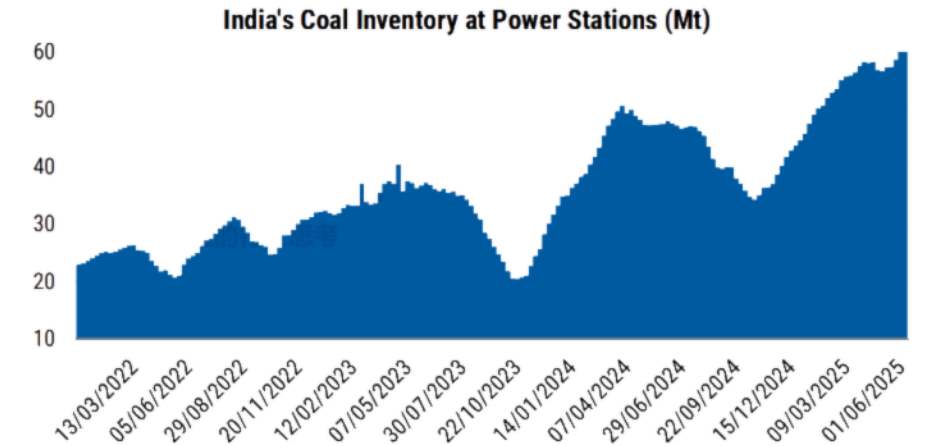
Source: Ministry of Coal, Government of India

Exhibit 133: India Coal Consumption



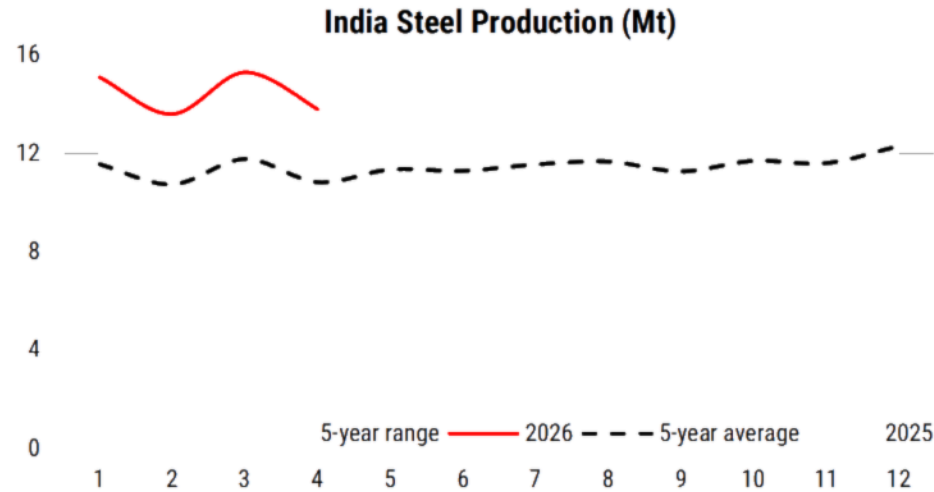
Source: Ministry of Coal, Government of India

Exhibit 134: India Coal Inventory at Power Station



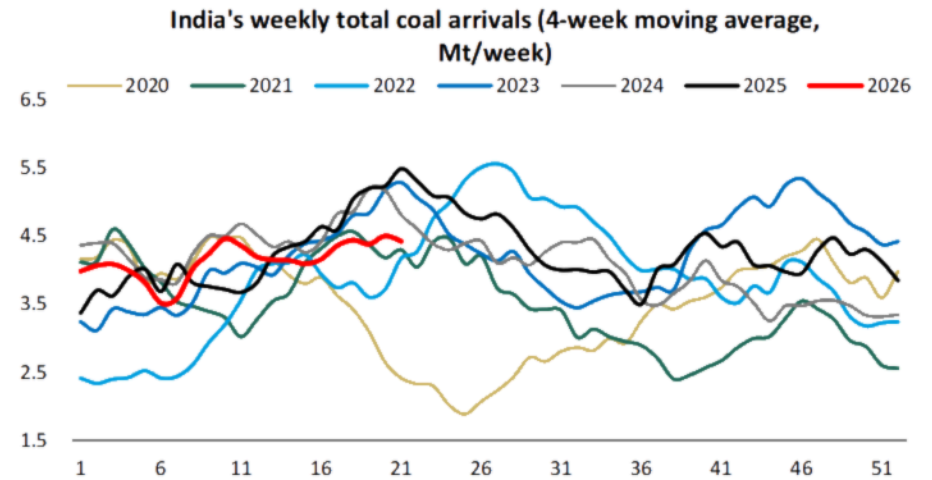
Source: McCloskey

Exhibit 135: India Steel Production



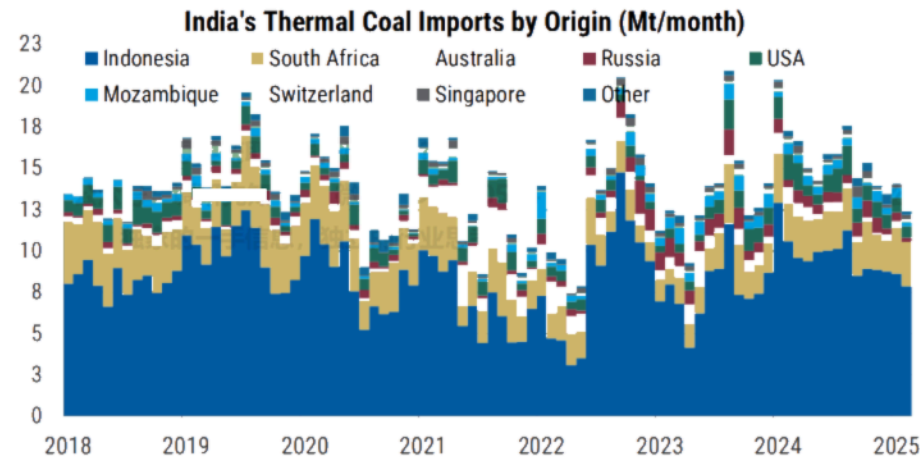
Source: Bloomberg

Exhibit 136: India Coal Arrivals



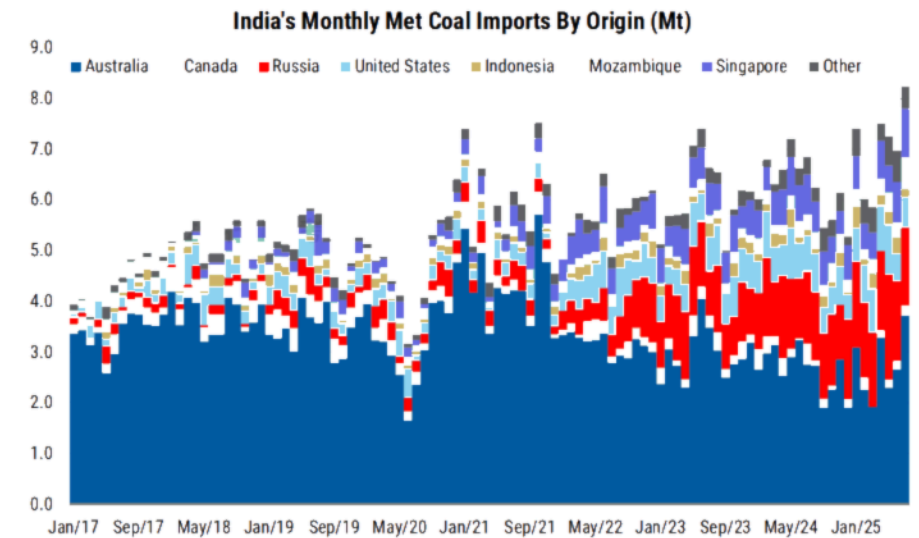
Source: Eikon

Exhibit 137: India Thermal Coal Imports



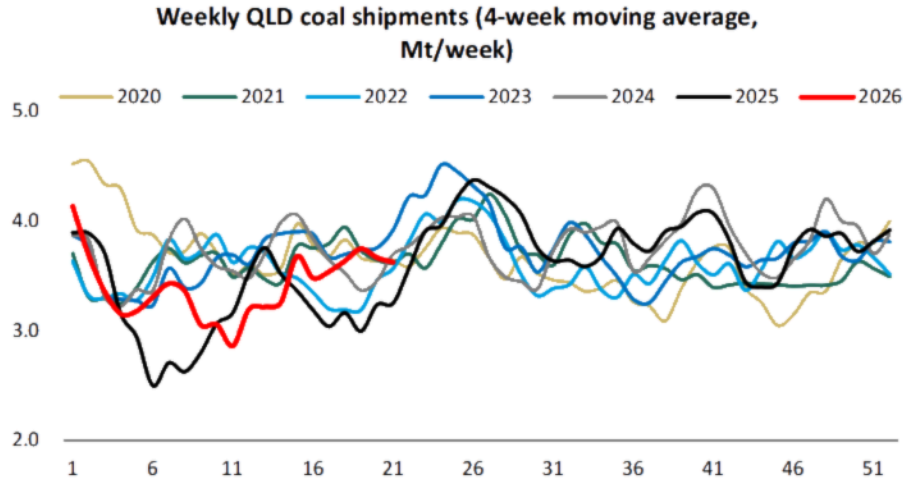
Source: McCloskey

Exhibit 138: India Met-Coal Imports



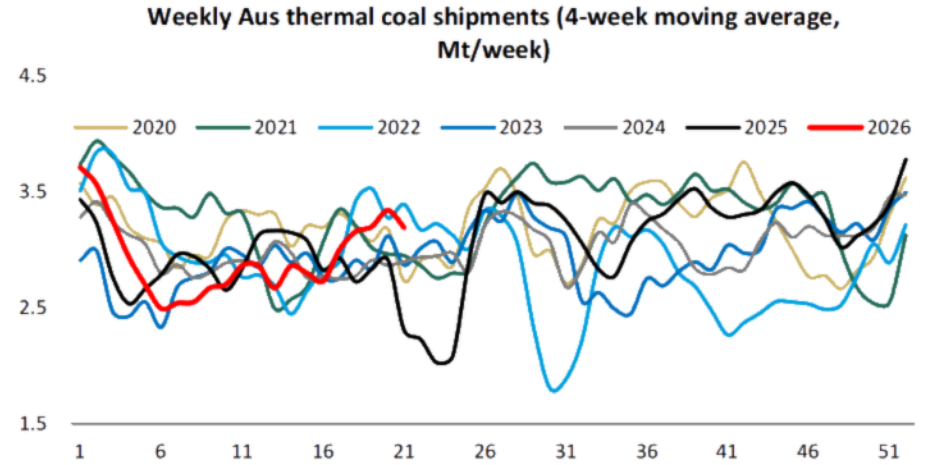
Source: McCloskey

**Exhibit 139:** Queensland Coal Shipments



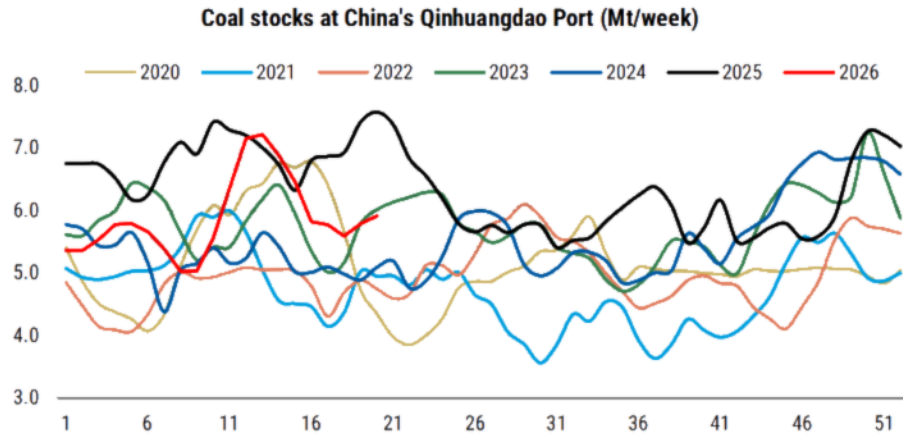
Source: E.ON

**Exhibit 140:** Australia Thermal Coal Shipments



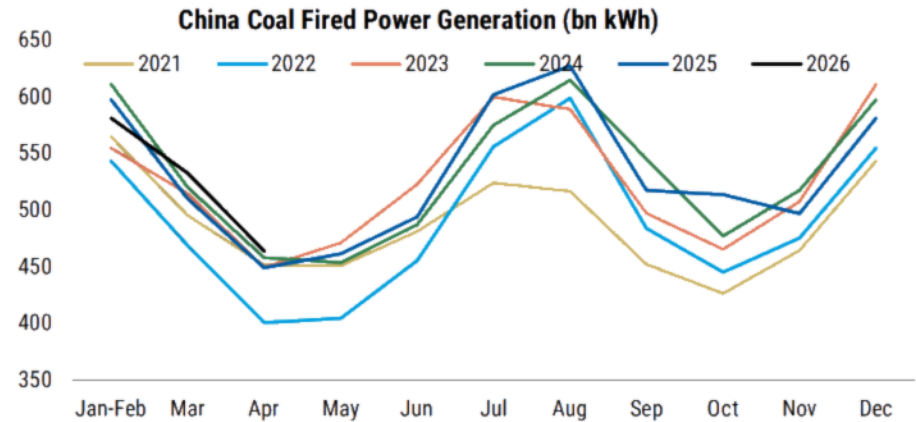
Source: Eikon

**Exhibit 141:** Coal Stocks at Qinhuangdao Port



Source: Bloomberg

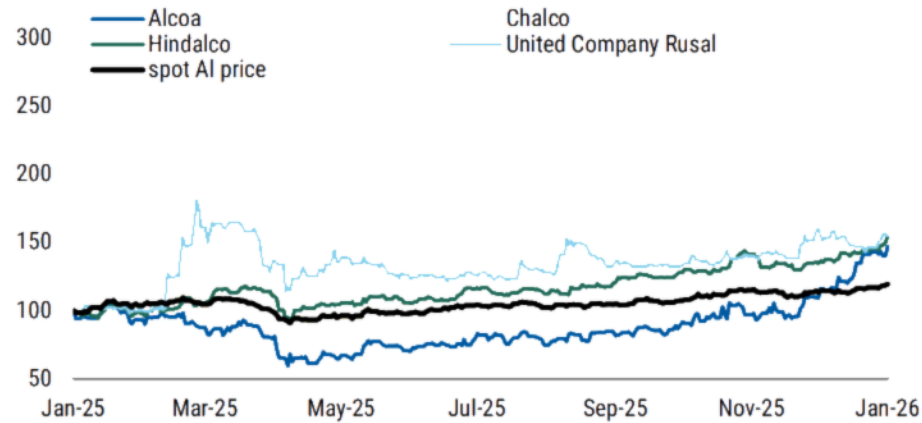
**Exhibit 142:** China Coal-fired Power Generation



Source: Bloomberg

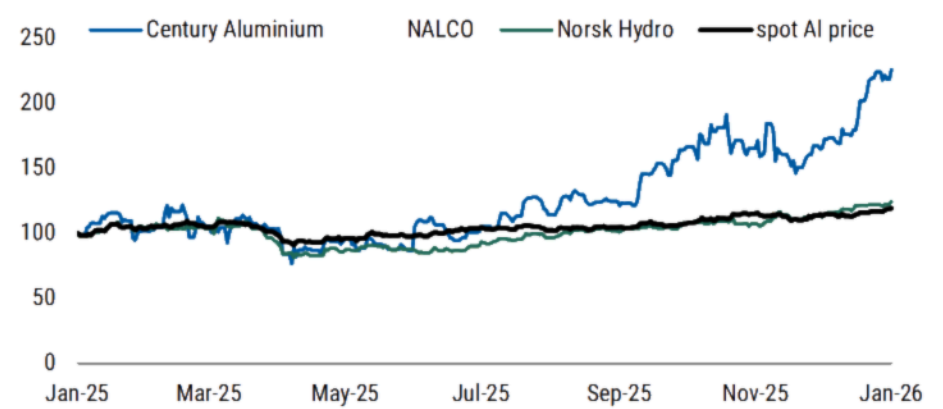
# Equity vs. Commodity – Relative One-Year Performance

**Exhibit 143:** Aluminium (large cap)



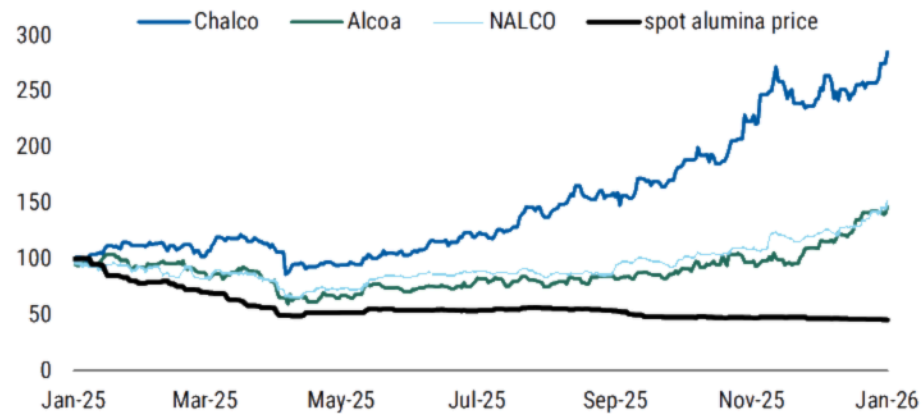
Source: Bloomberg, Morgan Stanley Research

**Exhibit 144:** Aluminium (small-medium cap)



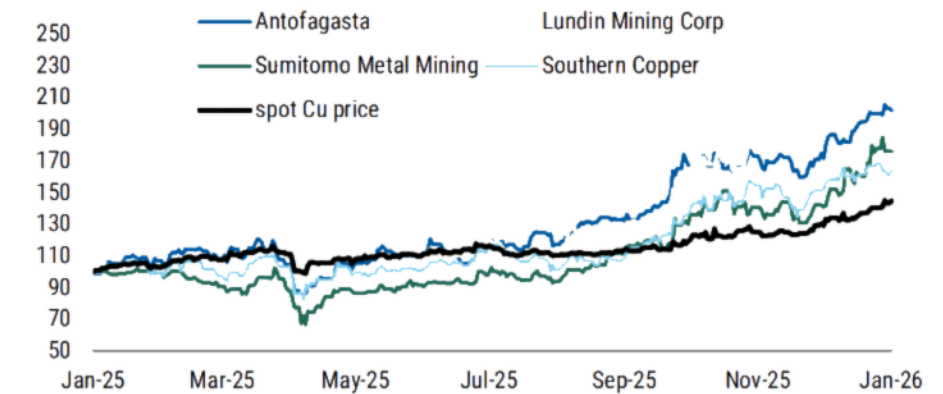
Source: Bloomberg, Morgan Stanley Research

**Exhibit 145:** Alumina



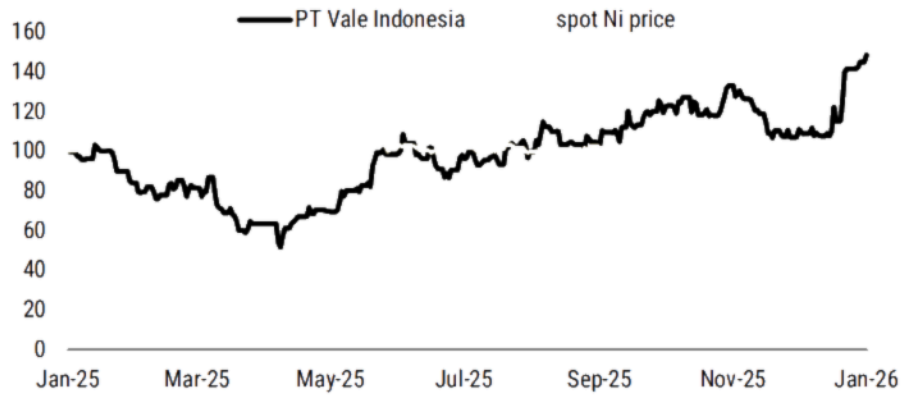
Source: Bloomberg, Morgan Stanley Research

**Exhibit 146:** Copper



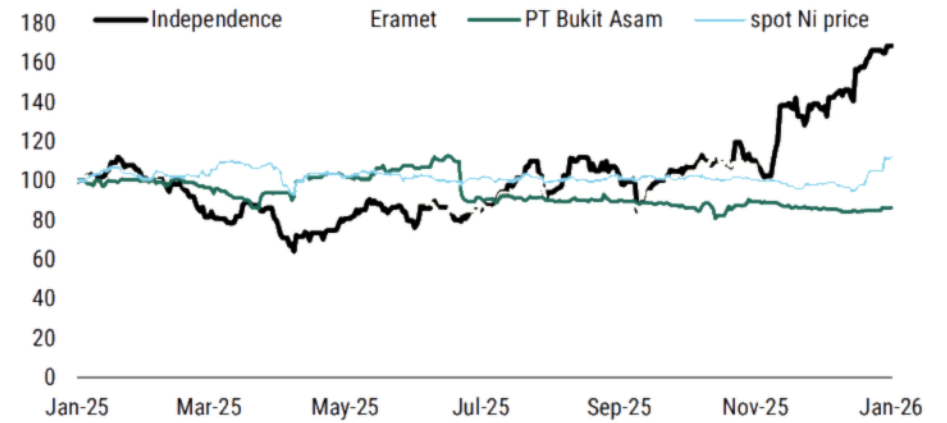
Source: Bloomberg, Morgan Stanley Research

**Exhibit 147:** Nickel (large cap)



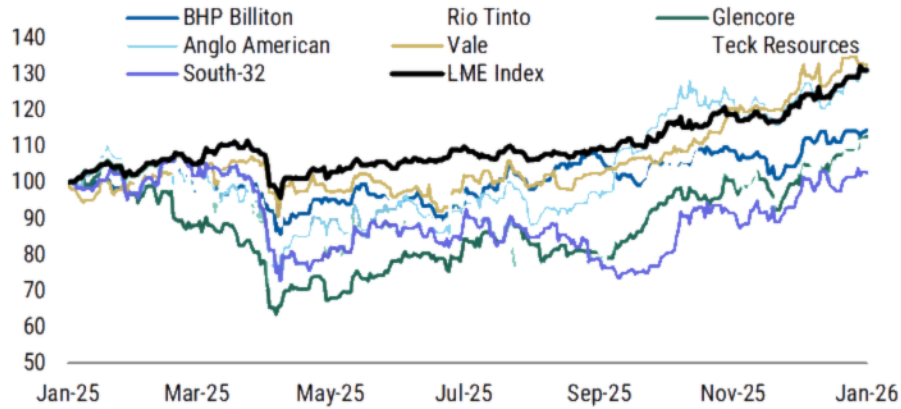
Source: Bloomberg, Morgan Stanley Research

**Exhibit 148:** Nickel (small-medium cap)



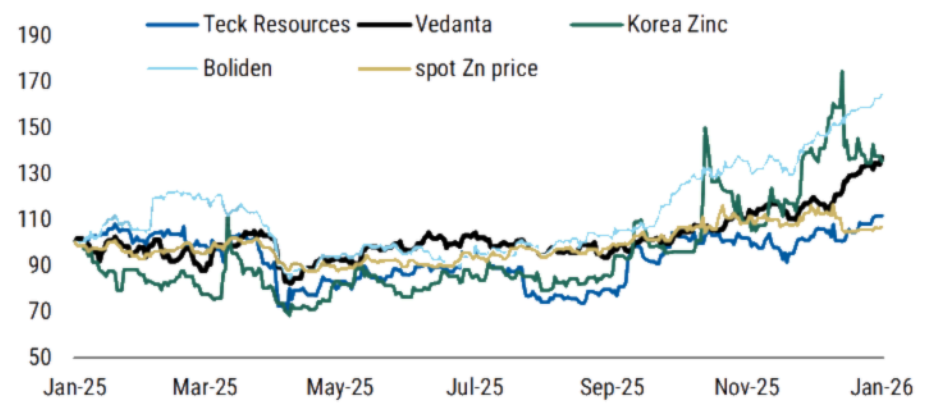
Source: Bloomberg, Morgan Stanley Research

**Exhibit 149:** Diversified



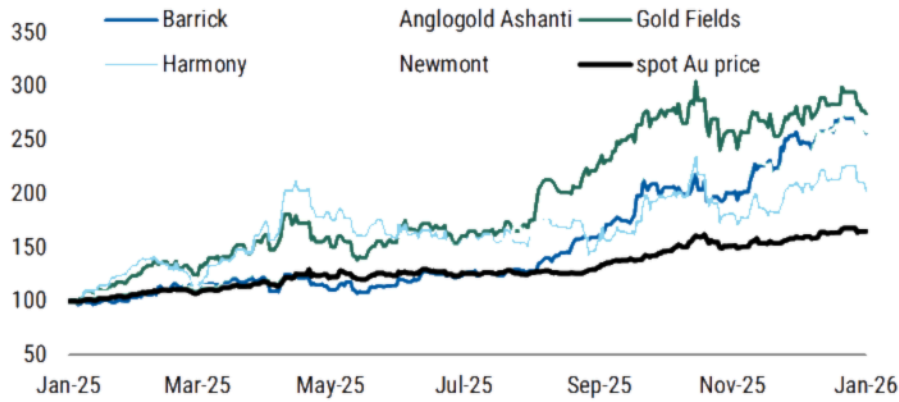
Source: Bloomberg, Morgan Stanley Research

**Exhibit 150:** Zinc



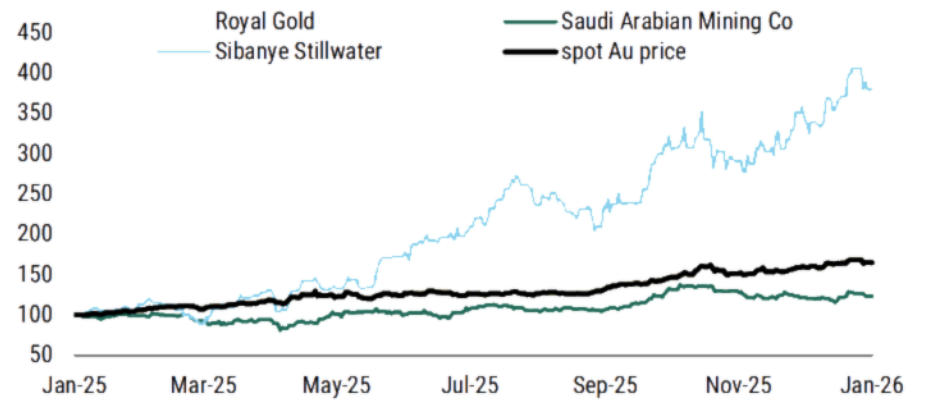
Source: Bloomberg, Morgan Stanley Research

**Exhibit151:** Gold (large cap)



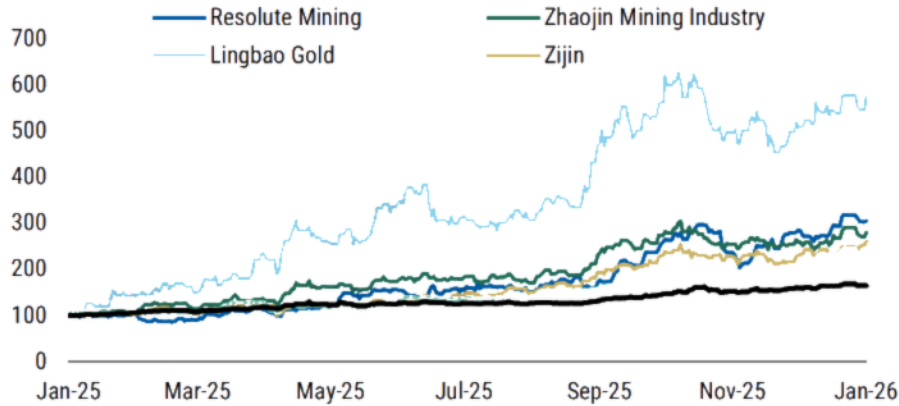
Source: Bloomberg, Morgan Stanley Research

**Exhibit152:** Gold (small/medium cap)



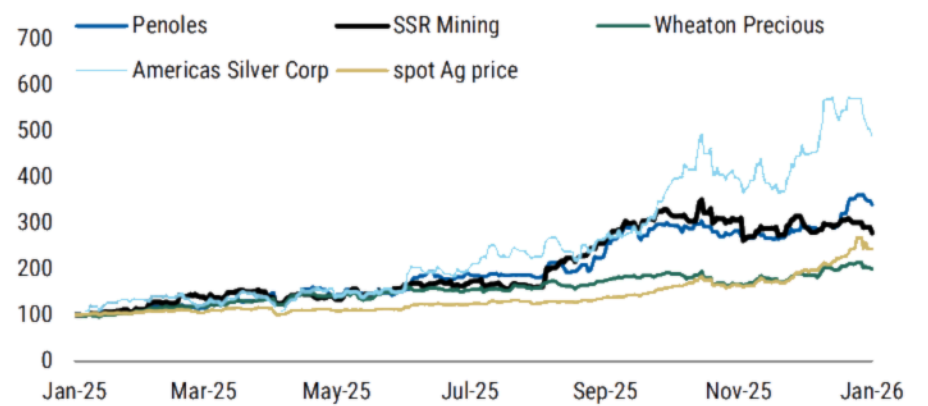
Source: Bloomberg, Morgan Stanley Research

**Exhibit153:** Gold (small / medium cap)



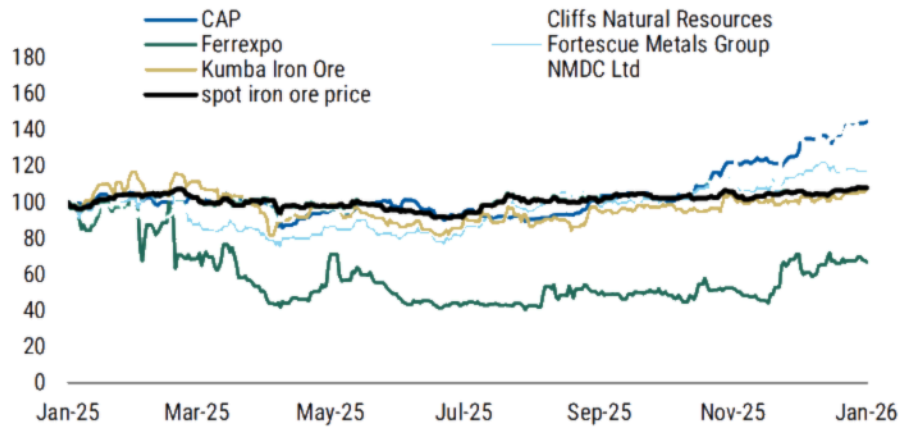
Source: Bloomberg, Morgan Stanley Research

**Exhibit154:** Silver



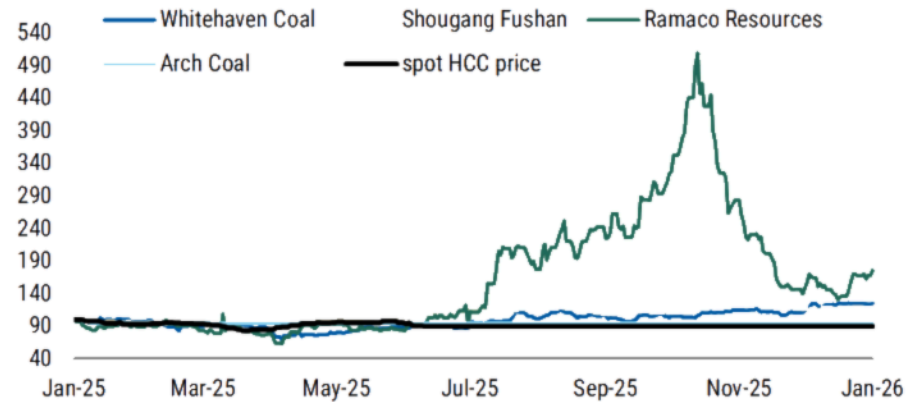
Source: Bloomberg, Morgan Stanley Research

Exhibit155: Iron ore



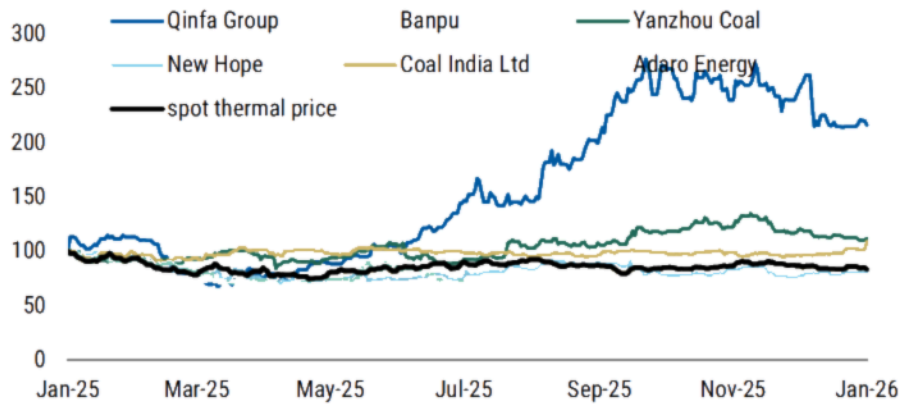
Source: Bloomberg, Morgan Stanley Research

Exhibit156: Metallurgical coal



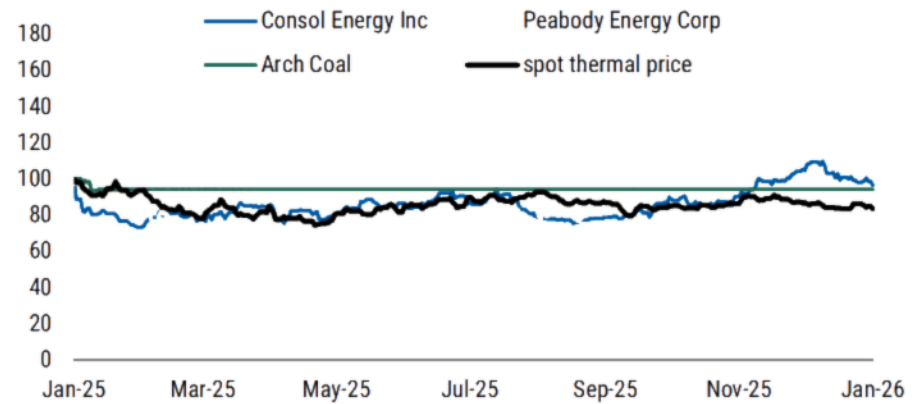
Source: Bloomberg, Morgan Stanley Research

Exhibit157: Thermal coal – Asia



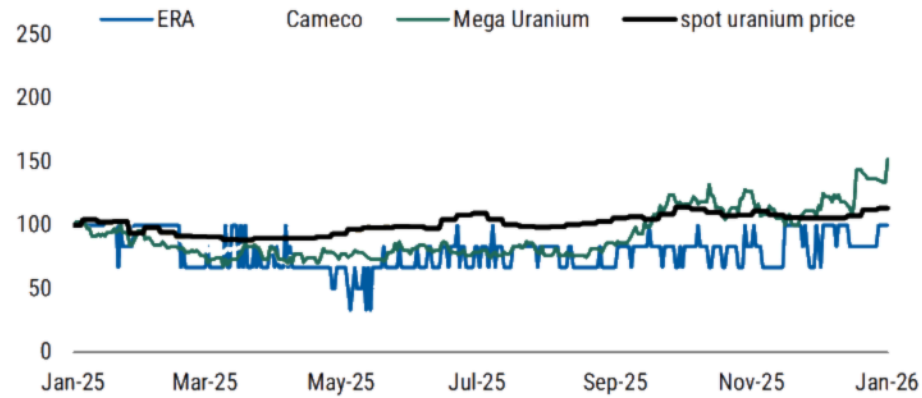
Source: Bloomberg, Morgan Stanley Research

Exhibit 158: Thermal coal – North America



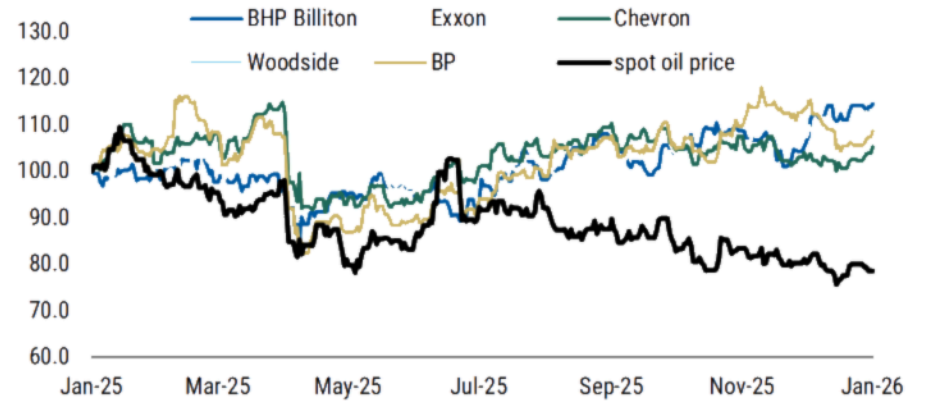
Source: Bloomberg, Morgan Stanley Research

Exhibit159: Uranium



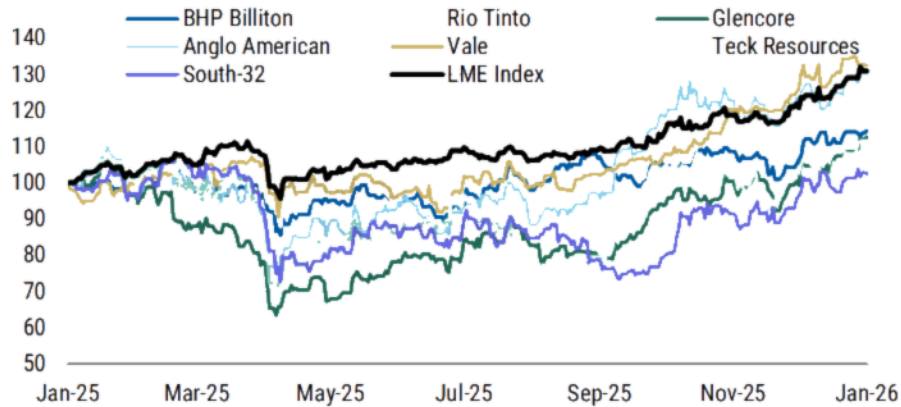
Source: Bloomberg, Morgan Stanley Research

Exhibit160: Oil



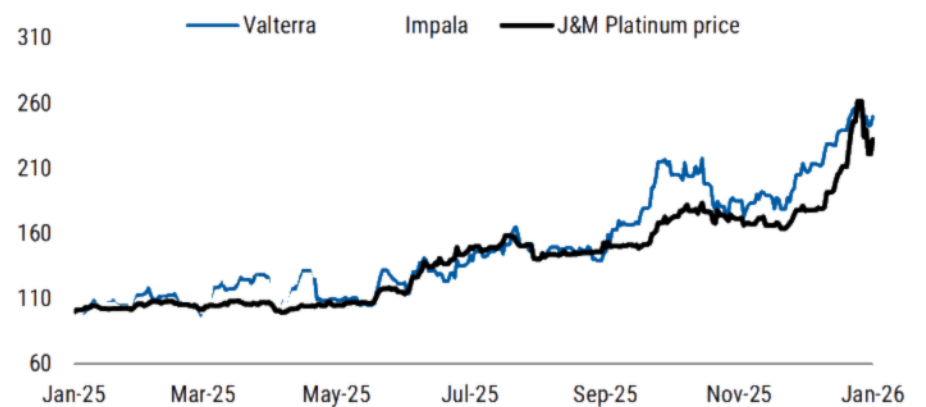
Source: Bloomberg, Morgan Stanley Research

Exhibit161: Diversified



Source: Bloomberg, Morgan Stanley Research

Exhibit 162: PGM



Source: Bloomberg

# Key Morgan Stanley Forecasts

**Exhibit 163:** Base metals price forecasts

Period	Aluminium			Copper			Nickel			Zinc			Lead		
	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear
	US\$/lb			US\$/lb			US\$/lb			US\$/lb			US\$/lb		
2026e	1.77	1.54	1.18	6.40	5.58	4.34	8.98	7.58	6.74	1.52	1.37	1.17	0.98	0.85	0.76
2027e	1.78	1.48	1.18	6.67	5.56	4.55	9.36	7.48	5.99	1.59	1.33	1.13	1.07	0.95	0.86
2028e	1.71	1.43	1.17	6.26	5.22	4.43	9.73	7.48	5.61	1.64	1.32	1.12	1.20	1.00	0.90
2029e	1.81	1.45	1.23	6.78	5.22	4.69	10.02	7.71	5.40	1.64	1.32	1.18	1.22	1.01	0.91
2030e	1.81	1.45	1.23	7.04	5.22	4.69	10.61	8.16	5.72	1.70	1.36	1.22	1.36	1.13	1.02
2031e	1.70	1.36	1.16	7.04	5.22	4.69	10.61	8.16	5.72	1.63	1.36	1.16	1.36	1.13	1.02
LT nom	1.56	1.30	1.17	6.57	5.05	4.30	11.11	8.54	5.98	1.61	1.46	1.17	1.29	1.17	0.94

Source: Morgan Stanley Commodities Research estimates (e)

**Exhibit 164:** Precious metals price forecasts

Period	Gold			Silver			Platinum			Palladium			Rhodium		
	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear
	US\$/oz			US\$/oz			US\$/oz			US\$/oz			US\$/oz		
2026e	6,026	4,916	4,176	100.21	73.79	52.64	2,282	1,994	1,706	1,693	1,463	1,273	11,718	10,214	8,711
2027e	5,940	4,950	4,208	99.00	70.71	56.57	2,392	1,993	1,594	1,860	1,431	1,002	18,397	10,221	7,154
2028e	5,625	4,500	3,825	90.00	64.29	51.43	2,656	2,043	1,839	1,575	1,312	919	31,436	10,479	7,335
2029e	5,200	4,000	3,400	80.00	57.14	45.71	2,723	2,095	1,885	1,614	1,345	942	24,226	8,075	5,653
2030e	5,400	4,000	3,400	77.14	57.14	48.57	2,792	2,148	1,933	1,655	1,379	966	24,837	8,279	5,795
2031e	5,400	4,000	3,400	77.14	57.14	48.57	2,863	2,202	1,982	1,697	1,414	1,131	25,464	8,488	5,942
LT nom	4,738	2,871	2,441	68.19	35.89	30.51	3,231	2,228	1,894	1,723	1,436	1,149	25,842	8,614	6,030

Source: Morgan Stanley Commodities Research estimates (e)

**Exhibit 165:** Bulks price forecasts

Period	Iron Ore (spot)			Hard Coking Coal (spot)			Thermal Coal			Bauxite (wet)			Lignite (sub-bit)			Uranium (spot)		
	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear	Bull	Base	Bear
	US\$/t			US\$/t			US\$/t			US\$/t			US\$/t			US\$/lb		
2026e	115	100	89	200	231	197	180	151	115	6.3	5.4	4.8	25,564	21,279	16,149	111	93	77
2027e	125	96	77	294	226	181	176	138	110	6.5	5.5	4.4	28,860	18,058	10,830	131	94	66
2028e	132	98	73	288	214	160	163	125	100	6.7	5.6	4.5	30,400	15,208	9,120	105	70	53
2029e	135	100	75	290	215	161	168	130	98	6.9	5.7	4.6	28,000	14,000	9,800	105	70	56
2030e	135	100	75	290	215	161	176	135	101	7.0	5.8	4.7	30,000	15,000	10,500	105	70	56
2031e	135	100	75	290	215	161	176	135	101	7.0	5.8	4.7	32,000	16,000	11,200	105	70	56
LT nom	150	102	78	296	219	166	179	138	103	6.6	5.5	4.4	33,956	16,998	10,199	105	70	56

Source: Morgan Stanley Commodities Research estimates (e)

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