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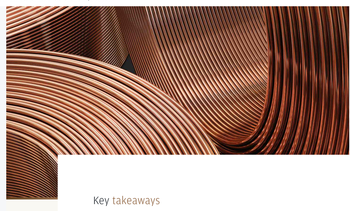
Copper prices outlook: Bearish macro risks remain a major concern

April 24, 2026

Copper prices have been volatile since the start of the Iran conflict, but macroeconomic risks are likely not yet fully priced in.

Setting the scene: A tight copper market
The Iran conflict is weighing on copper demand prospects
China is buying the dip in copper prices
What's the forecast for copper prices?



Key takeaways

- Fears of slowing economic growth stemming from the Iran conflict are weighing on expectations for copper demand.
- Chinese buyers have been capitalizing on lower copper prices and actively buying the dip.
- Amid a shorter-term drop into oil & commodities, or tariffs, geopolitical risks are higher short-term prices.

Copper prices hit record highs at the start of the year, briefly surpassing $14,500 per metric ton (mt) in January. However, they came under pressure in March, the ongoing Iran conflict has dampened demand expectations for industrial commodities due to widespread risk-off sentiment and fears of slowing economic growth. Today, the geopolitical backdrop remains fluid and copper prices have rebounded, trading at around $13,000/mt as of mid-April — representing only a roughly 2% decline from pre-conflict levels.

Overall, copper prices remain elevated compared with historical averages, but downside macroeconomic risks are largely not fully priced in. Against this evolving backdrop, what's the outlook for copper prices?

Setting the scene: A tight copper market

Copper is widely utilized in major industrial sectors, but global mine production remains tight due to ongoing supply-side disruptions. Grasberg in Indonesia, the world's second largest copper mine, remains underutilized after a fatal mudslide triggered a force majeure in September; elsewhere, production guidance at the Quebrada Blanca mine in Chile has been downgraded due to operational challenges, further compounding the global shortage.

In addition, China has announced it will halt exports of sulfuric acid — a key input for certain copper mining processes — from May to protect its domestic supply. This could create further tightness in the copper market, given that ~15% of global copper production is directly reliant on sulfuric acid availability.

This tightness comes amid significant inventory dislocation, with the U.S. sitting on ample copper reserves. However, stock levels outside of the U.S. have risen since the start of 2026 on the back of softer demand. "Global visible copper inventory is now at nearly 1.5 million tons, marking an increase of 540 thousand metric tons (kmt) so far this year," observed Gregory Shearer, head of Base and Precious Metals Strategy at J.P. Morgan.

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> Head of Base and Precious Metals Strategy, J.P. Morgan

The Iran conflict is weighing on copper demand prospects

Indeed, copper demand could be negatively impacted for some time due to the ongoing Iran conflict, which is causing oil prices to spike and is exacerbating anxieties around broader macroeconomic disruption.

This is because copper demand is widely seen as a barometer of broader economic health. "As highly cyclical assets geared to manufacturing cycles and end-use consumption in the construction, transportation, utility and white goods sectors, demand for base metals, including copper, is extremely sensitive to global economic growth," Shearer said.

According to J.P. Morgan Global Research, every 10% increase in oil prices due to a supply shock could dampen global GDP by 0.16%. The beta of copper demand to global GDP is estimated at 1.2, meaning that if global GDP falls by 1%, copper demand growth could fall by 1.2% as a result.

"For example, we estimate that if Brent oil prices were to hover around ~$110 per barrel (bbl) for the remainder of this year, our copper demand growth estimates for 2026 could be stripped by 1.4 percentage points," Shearer explained. "The hit to demand growth would clearly intensify if oil prices continue to move higher."

Higher oil prices could dampen global copper demand

Percentage point drag based on oil price level and duration

	1 month	2 months	3 months	4 months	5 months	6 months	7 months	8 months
$90/bbl	-0.2%	-0.3%	-0.4%	-0.5%	-0.6%	-0.6%	-0.7%	-0.8%
$100/bbl	-0.3%	-0.4%	-0.5%	-0.6%	-0.7%	-0.8%	-0.9%	-1.0%
$110/bbl	-0.3%	-0.4%	-0.6%	-0.7%	-0.8%	-1.0%	-1.1%	-1.2%
$120/bbl	-0.3%	-0.5%	-0.6%	-0.8%	-1.0%	-1.1%	-1.3%	-1.4%
$130/bbl	-0.3%	-0.5%	-0.7%	-0.9%	-1.1%	-1.3%	-1.5%	-1.7%
$140/bbl	-0.4%	-0.6%	-0.8%	-1.0%	-1.2%	-1.4%	-1.7%	-1.9%
$150/bbl	-0.4%	-0.6%	-0.9%	-1.1%	-1.4%	-1.6%	-1.9%	-2.1%

Source: J.P. Morgan. Oil price change compared to a previous baseline view of ~$60/bbl for Brent in 2026. Also assumes a return to this level after the supply shock ends.

Further analysis from J.P. Morgan's EMEA Mining team shows that copper prices have historically troughed about 25% below their peak during major macroeconomic shocks. "While we are not forecasting a recession, our analysis of previous sell-offs suggests that copper's current decline could have additional downside risk if global growth headwinds accelerate in the weeks and months ahead," said Dominic O'Kane, head of the EMEA & CEEMEA Mining & Metals team at J.P. Morgan.

China is buying the dip in copper prices

On the other hand, Chinese buyers, who represent around 60% of global copper demand, have been capitalizing on lower copper prices and actively buying the dip. For many, this is an opportunity to replenish inventories following a sustained period of higher prices, which forced them out of the market.

"Against severe macro tensions, copper prices held steady in mid-March at ~$12,000/mt, which can be explained by strong Chinese buying," O'Kane noted. Copper consumption in China has also risen as industrial activities pick up steam post-Lunar New Year, with inventory de-stocking — a key demand indicator — accelerating to ~55kt week over week as of mid-March.

"Given how responsive Chinese demand has been recently, we expect Chinese consumers to be active over the next few weeks as dip buyers," Shearer added.

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What's the forecast for copper prices?

Overall, J.P. Morgan Commodities Research believes that the now only modest decline in copper prices seen since the start of the Iran conflict does not fully discount macro risks; rather, prices could fall further if economic conditions deteriorate. Conversely, a de-escalation in the conflict could support copper prices, especially if the Strait of Hormuz reopens.

In addition, ongoing tariff uncertainty could create yet more volatility: on April 2, the Trump administration revised Section 232 tariffs on copper derivative products, decreasing rates for those containing lower levels of metal content.

"Despite the more supportive swing in Chinese fundamentals, bearish macro risks should continue to dominate in copper as long as energy prices remain on the rise in the near term, calling into question the extent of potential demand destruction," Shearer said. "From a technical perspective, we see $11,100-$11,200/mt as a likely medium-term support zone, leaving copper still exposed even as Chinese micro fundamentals improve."

Copper price forecasts ($/mt)

Q2 2026	Q3 2026	Q4 2026	Q1 2027	Q2 2027
13,500	13,000	12,500	11,800	11,600

Source: J.P. Morgan Commodities Research

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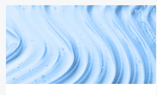

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