

March 6, 2025

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	March	Buy	874-875	883	870	Intraday

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News and Developments

- Spot gold prices ended on positive note gaining 0.07%, while Silver prices gained more than 2% yesterday on weakness in dollar. Gold prices hit breaks from making new high as all focus remained on US Non-Farm employment change data. However, it remained above \$2900 mark amid trade war jitters. Silver prices extended its rally and surpassed \$32 level on weak dollar and safe haven demand amid escalating trade tension between US and its major trading partners. Further, Silver prices also rose on positive carryover from a rally in other Industrial metals
- US Dollar extended its losses and ended on the negative note losing more than 1% on concerns over slowdown in economic growth and impact of tariffs on US economy and inflation. Moreover, mixed batch of economic data from US, signs of weakness in economy, adding downside pressure. Further, strength in Euro undercut the dollar. Euro gained as growth prospects improved after Germany's proposed 500 billion euro infrastructure fund.
- ADP National Employment Report showed private payrolls increased by only 77K jobs February, well short of upwardly revised 186K gain in January. ISM Services PMI climbed to 53.5 last month, above the forecast of 52.6
- US 10-Year treasury yields continued to climbed, reversing from earlier losses amid mixed batch of economic data from US. Further, White House said Trump will exempt automakers from his 25% tariffs on Canada and Mexico for 1-month as long as they comply with terms of an existing free trade agreement. The benchmark US Treasury 10-year yield rose to 4.280%. While 2-year treasury yield, which typically moves in step with interest rate expectations increased to 4.007%.
- Crude oil prices settled lower yesterday losing more than 2% on larger than expected build in US crude oil stockpiles. Crude inventories rose by 3.6 million barrels to 433.8 million barrels in the week
- Copper prices ended on positive note as US President Trump suggested that US imports of copper could also be subject to a 25% tariff. Further, prices rallied on prospect of further stimulus measures from China

Source: Bloomberg, ICICI Direct Research

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	85833	-0.22%	2919.4	0.05%
Silver	97542	1.34%	32.66	2.12%
Copper	880.0	2.08%	9585.0	2.59%
Aluminium	261.3	1.04%	2658.5	1.61%
Zinc	271.8	1.25%	2879.0	2.44%
Lead	181.3	0.50%	2034.0	1.22%
WTI Crude Oil	5756	-3.42%	66.31	-2.86%
US Nat Gas	386.7	-0.15%	4.45	2.30%

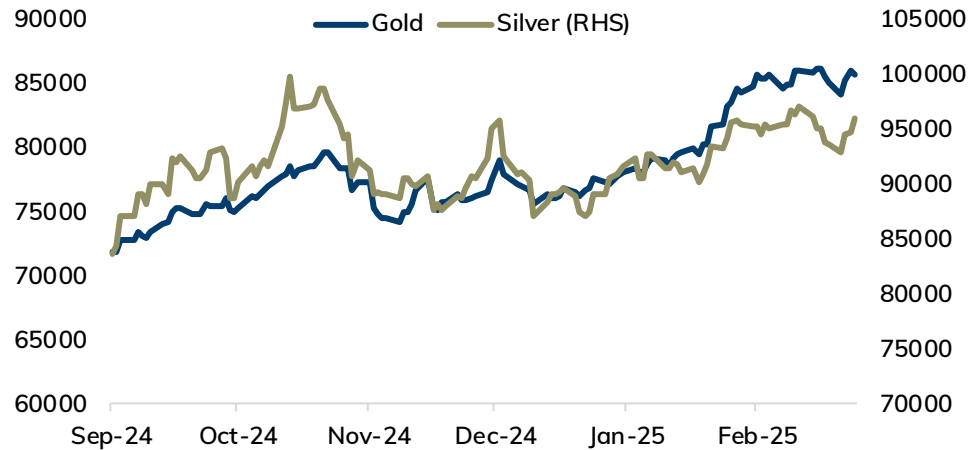
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th March)	87.18	-0.28%	1777839	26032	244518	-124041
EURINR (26th March)	93.22	1.35%	28534	6307	10384	6953
GBPINR (26th March)	111.81	0.63%	10549	1127	2203	-425

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	March	Sell	864-865	858	868	Stoploss Triggered

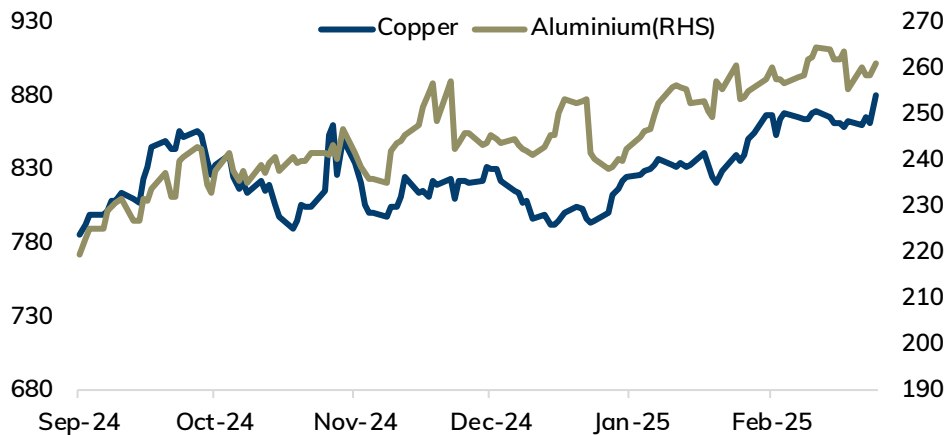
MCX Gold vs. Silver



Bullion Outlook

- Gold is expected to continue with its upward trend and rally further towards \$2935 level on weakness in dollar and safe haven buying. Dollar is showing weakness as recent batch of economic data from US signaled slowdown in economic growth and trade war with major trading partners will have adverse effect on economy, prompting US Federal Reserve to lower interest rates. Market expects more rate cuts this year than previously thought due to signs of slowing economy. Traders are pricing in 69 bps of cuts by the Fed this year. Moreover, investors will keep a close eye on a slew of economic data from US and ECB monetary policy where central bank is likely to cut interest rates.
- Spot gold is likely to hold the support near \$2890 level and rise towards \$2935 level. MCX Gold April is expected to rise towards ₹86,400 level as long as it stays above ₹85,300 level.
- MCX Silver May is expected to rise further towards ₹98,200 level as long as it stays above ₹96,500 level.

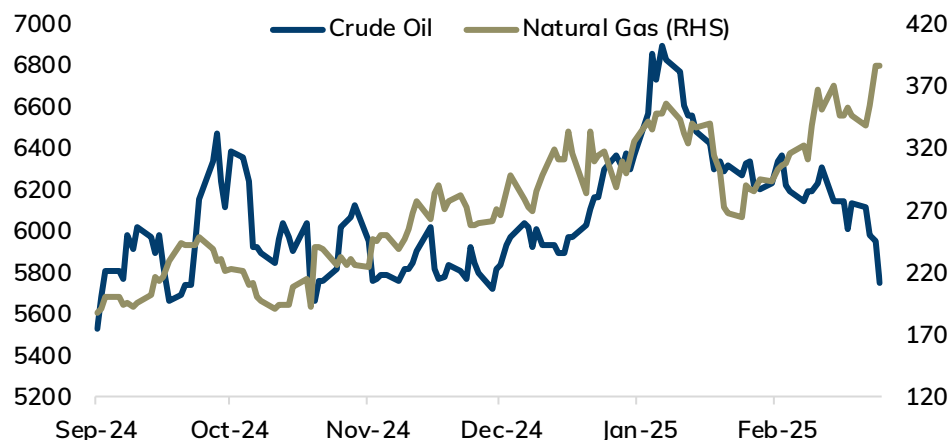
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with positive bias on weak dollar and on hopes of more stimulus packages from China to revive economic growth and achieve its GDP growth target for 2025 set around 5%. Moreover, China raised its budget deficit target to around 4% of GDP from 3% last year. Higher debt and spending figures aim to cushion the impact of tariffs. Additionally, US President Donald Trump said red metal could attract a tariff of 25%. Meanwhile, investors will keep a close eye on economic data from US to gauge economic health of the country and get cues on interest rate trajectory.
- MCX Copper March is expected to rise further towards ₹885 level as long as it stays above ₹870 level. A break above ₹885 level copper prices may rally further towards ₹890 level.
- MCX Aluminium March is expected to rise further till ₹263 level as long as it trades above ₹259 level. MCX Zinc March is likely to rise further towards ₹274 level as long as it stays above ₹268 level.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade with negative bias and slip further towards \$65.00 level on larger than expected build in US crude oil inventories, signaling weak demand. Further, OPEC+ decided to increase oil output for the first time since 2022. The group will make a small increase of 138,000 barrels per day from April. Moreover, investors fear that escalating trade tension between US and its major trading partners will ignite global trade war hurting economic growth and denting fuel demand. Moreover, possible peace talk between Russia and Ukraine would lead to reduction in sanctions on Russia adding more oil into the market.
- MCX Crude oil March is likely to face stiff resistance near ₹5950 level and slip further towards ₹5650 level. A break below ₹5650 prices may dip further towards ₹5600 level.
- MCX Natural gas March is expected to hold the support near ₹365 level and rise back towards ₹395 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	84982	85407	85825	86250	86668
Silver	95796	96669	97255	98128	98714
Copper	856.2	868.1	875.5	887.4	894.8
Aluminium	257.3	259.3	260.5	262.5	263.8
Zinc	266.1	268.9	270.6	273.5	275.2
Lead	179.6	180.4	181.0	181.8	182.3
Crude Oil	5535	5645	5796	5906	6057
Nat Gas	358	372	383	397	408

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	86.92	87.05	87.20	87.33	87.48
US\$INR (Apr)	87.13	87.28	87.44	87.59	87.76
EURINR (Mar)	91.75	92.48	92.98	93.71	94.21
EURINR (Apr)	93.23	93.49	93.23	93.49	93.23
GBPINR (Mar)	110.89	111.35	111.63	112.09	112.36
GBPINR (Apr)	108.88	110.72	108.88	110.72	108.88
JPYINR (Mar)	58.23	58.33	58.45	58.55	58.67
JPYINR (Apr)	58.23	58.54	58.23	58.54	58.23

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.28	105.74	-1.39%
US\$INR	86.96	87.27	-0.36%
EURUSD	1.0789	1.0626	1.53%
EURINR	93.16	91.74	1.55%
GBPUSD	1.2895	1.2795	0.78%
GBPINR	111.62	111.06	0.51%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.709	6.745	-0.04
US	4.279	4.244	0.03
Germany	2.793	2.495	0.30
UK	4.682	4.534	0.15
Japan	1.448	1.425	0.02

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
05-03-2025	9:00 PM	3.6M	0.6M
26-02-2025	9:00 PM	-2.3M	2.5M
20-02-2025	9:00 PM	4.6M	3.2M
12-02-2025	9:30 PM	4.1M	2.4M
05-02-2025	9:00 PM	8.7M	2.4M
29-01-2025	9:00 PM	3.5M	2.2M
23-01-2025	9:30 PM	-1.0M	-0.1M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	260150	-850	-0.33%
Aluminium	519875	-4625	-0.88%
Zinc	161325	-625	-0.39%
Lead	208400	-3075	-1.45%
Nickel	194520	-840	-0.43%

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, March 03, 2025						
7:15 AM	China	Caixin Manufacturing PMI	50.8	50.4	50.1	Medium
3:30 PM	Europe	CPI Flash Estimate y/y	2.40%	2.30%	2.50%	Medium
8:30 PM	US	ISM Manufacturing PMI	50.3	50.6	50.9	High
Tuesday, March 04, 2025						
7:45 PM	Japan	BOJ Gov Ueda Speaks	-	-	-	High
Wednesday, March 05, 2025						
7:15 AM	China	Caixin Services PMI	51.4	50.8	51	Medium
6:45 PM	US	ADP Non-Farm Employment Change	77K	144K	183K	High
8:30 PM	US	ISM Services PMI	53.5	53	52.8	High
9:00 PM	US	Crude Oil Inventories	3.6M	0.6M	-2.3M	Medium
Thursday, March 06, 2025						
3:00 PM	UK	Construction PMI	-	49.8	48.1	Medium
All Day	Europe	Euro Summit	-	-	-	High
6:45 PM	Europe	Main Refinancing Rate	-	2.65%	2.90%	High
7:00 PM	US	Unemployment Claims	-	236K	242K	High
9:00 PM	US	Natural Gas Storage	-	-96B	-261B	Medium
Friday, March 07, 2025						
Tentative	China	USD-Denominated Trade Balance	-	-	104.8B	Medium
12:30 PM	Europe	German Factory Orders m/m	-	-2.40%	6.90%	Medium
7:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.50%	High
7:00 PM	US	Non-Farm Employment Change	-	156K	143K	High
7:00 PM	US	Unemployment Rate	-	4%	4%	High
11:00 PM	US	Fed Chair Powell Speaks	-	-	-	High



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