

February 18, 2025

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	February	Sell	863-864	852	868	Intraday

Research Analysts

Jay Thakkar
jay.thakkar@icicisecurities.com

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Anup Sahu
anup.sahu@icicisecurities.com

News and Developments

- Spot gold prices recovered some ground after a sharp fall on Friday amid softness in the dollar and safe haven demand. Meanwhile traders remained watchful as focus shifted to Ukraine peace talks.
- Spot silver, also recovered some of its earlier losses and managed to move in a tight range amid low liquidity as US markets remained closed on Monday in observance of Presidents' Day.
- U.S. dollar index remained steady near its 2-month lows after declining on Friday amid weaker than expected US retail sales numbers. January retail sales numbers declined by 0.9% against previous reading of gain by 0.7%. Retail sales numbers hit its worst level in last 2 years.
- US treasury yields settled lower on Friday after US retail sales data reignited the hopes of 2 rate cuts in this year. The US 2-year yield which tracks the Fed policy moves dipped to 4.25% and the 10-year yield settled at 4.46%.
- NYMEX Crude oil prices held steady near \$71 per barrel mark as investors watched for progress on a possible Russia-Ukraine peace deal, which could ease sanctions and boost oil supply. Meanwhile, sign of supply resumption from Iraq's Kurdistan region and trade tariff concerns checked the upside in oil prices.
- Copper prices held steady after easing from multi month high as investors continued to assess the impact of tariff concerns. Meanwhile, better than expected economic numbers from China supported the metal prices to limit its downside..
- US natural gas futures lost more than 3% after rallying more than 12% last week. Increasing flows to LNG export plants and colder-weather forecast in US limited the downside.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	85055	0.43%	2896.6	0.49%
Silver	95580	-0.01%	32.34	0.73%
Copper	864.8	-0.01%	9395.5	-0.86%
Aluminium	258.4	0.17%	2645.0	0.28%
Zinc	268.3	0.68%	2872.5	1.06%
Lead	179.5	0.14%	1991.5	0.43%
WTI Crude Oil	6198	0.80%	70.74	-0.77%
US Nat Gas	312.3	-3.55%	3.73	2.67%

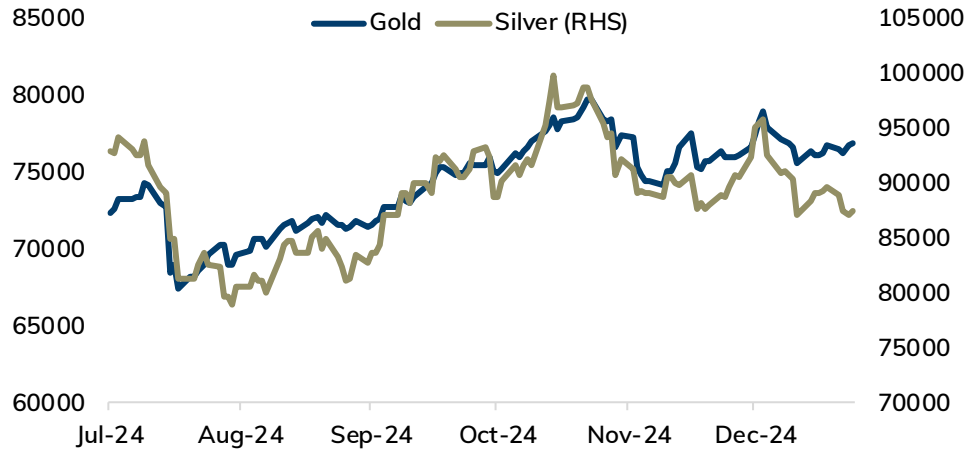
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (25th February)	86.95	0.08%	3236474	49767	123571	-123152
EURINR (25th February)	91.23	0.24%	21520	-258	2365	-534
GBPINR (25th February)	109.53	0.25%	20623	751	1607	-2377

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	March	Sell	6220-6230	6050	6300	Not initiated

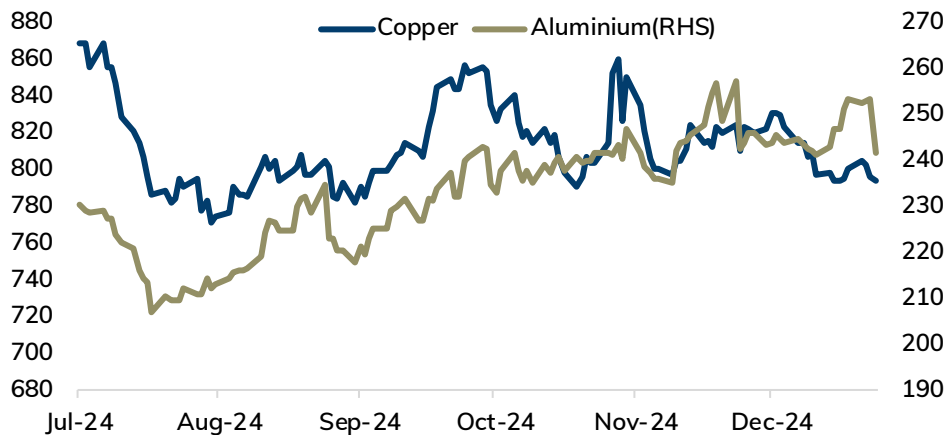
MCX Gold vs. Silver



Bullion Outlook

- Gold is expected to hold the key support near \$2877 and move higher towards \$2910 amid increasing safe haven demand. Uncertainty over the reciprocal tariffs on trading partner countries is likely to hurt sentiments and reinforce bullion's appeal as safe haven asset. Meanwhile, investors will watch the comments from Fed members to get more clarity on timing of interest rate cut.
- On the daily charts, spot gold has formed a bearish engulfing pattern, which could restrict its upside. Further, addition of OI in OTM call strikes near 2925 suggest prices to face resistance near \$2925. MCX Gold April is expected to consolidate in the band of ₹84,600 and ₹85,500 level. Only above ₹85,500, it would open the doors towards ₹86,000
- Spot silver, is expected consolidate in the band of \$31.90 and \$32.40. A move below \$31.90 it would turn weaker. MCX Silver March is expected trade in the band of ₹94,500 and ₹96,600. Below ₹94,500, it would turn weaker.

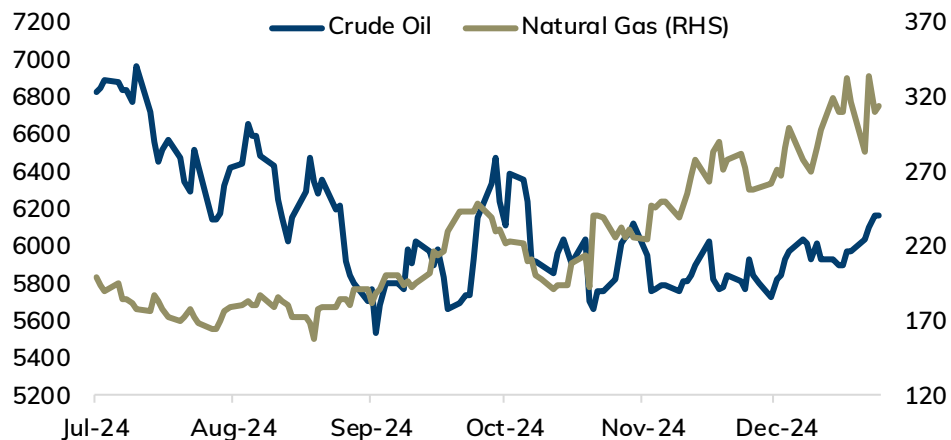
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade lower on easing potential tariffs on Copper imports. The LME Cash to three month spread has flipped from a backwardation to contango indicating easing supply concerns or tightness in the physical market. Meanwhile, depleting inventory levels in LME and a sharp jump in CFTC net longs could limit its downside. Additionally, strong imports from China and pick up in industrial activity would also support prices.
- MCX Copper February is expected to decline towards ₹ 850, as long as it trades under ₹872. A move below ₹850, it would turn weaker.
- MCX Aluminium Feb is expected to find support near 10 day EMA ₹256 level and move higher towards ₹260 level. Tightness in the physical market and depleting inventories would support the metal to stay higher. MCX Zinc Feb is hovering near key support at ₹265, a move below would weaken it towards ₹262 level. On the upside ₹270 would remain as strong resistance.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold the key support near \$70 and move in a tight range on reports that OPEC could delay further production hikes. Meanwhile, focus will remain on the peace negotiation between Russia and Ukraine. The spread between near and far month has almost reduced to zero from \$1.5 per barrel a month ago. This shift from backwardation to contango reflected less demand.
- On the data front, continuous drop in OI since last 5 weeks indicates liquidation in oil futures. More over, unwinding of OI in ATM and OTM put strike indicates weakness in price. On upside \$73 would act as key hurdle. MCX Crude oil March is likely to consolidate in the band of ₹6100 and ₹6300 in the near term, Only close below ₹6100 it would turn weaker.
- MCX Natural gas Feb is expected to hold the 10 day EMA support at ₹306, if held then it would rebound towards ₹320. Forecast of colder weather in US and rising export demand would help prices to trade firm.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	84474	84764	85010	85300	85546
Silver	94420	95000	95472	96052	96524
Copper	856.4	860.6	865.8	870.0	875.1
Aluminium	256.0	257.2	258.0	259.2	260.0
Zinc	264.9	266.6	267.6	269.3	270.4
Lead	178.4	178.9	179.7	180.2	181.0
Crude Oil	6103	6151	6179	6227	6255
Nat Gas	305	308	313	317	321

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	86.65	86.80	86.89	87.04	87.13
US\$INR (Mar)	86.90	87.02	87.10	87.23	87.30
EURINR (Feb)	90.93	91.08	91.16	91.30	91.38
EURINR (Mar)	91.45	91.61	91.45	91.61	91.45
GBPINR (Feb)	109.03	109.28	109.43	109.68	109.83
GBPINR (Mar)	108.05	109.09	108.05	109.09	108.05
JPYINR (Feb)	57.19	57.38	57.51	57.71	57.84
JPYINR (Mar)	59.13	58.40	59.13	58.40	59.13

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	107.31	107.94	-0.58%
US\$INR	86.91	86.89	0.02%
EURUSD	1.0465	1.0383	0.79%
EURINR	90.58	90.13	0.50%
GBPUSD	1.2566	1.2446	0.96%
GBPINR	108.56	108.15	0.38%

10-year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.710	6.702	0.01
US	4.529	4.621	-0.09
Germany	2.418	2.477	-0.06
UK	4.490	4.543	-0.05
Japan	1.353	1.343	0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
15-01-2025	9:00 PM	-2.0M	-1.0M
08-01-2025	9:00 PM	-1.0M	-1.8M
02-01-2025	9:00 PM	-1.2M	-2.4M
27-12-2024	9:00 PM	-4.2M	-0.7M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	253975	-1250	-0.49%
Aluminium	555950	-4050	-0.72%
Zinc	161025	-1625	-1.00%
Lead	222425	-1550	-0.69%
Nickel	184692	840	0.46%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, February 17, 2025						
All Day	US	Bank Holiday		-	-	-
Tuesday, February 18, 2025						
12:30 PM	UK	Claimant Count Change		10.0K	0.7K	High
3:00 PM	UK	BOE Gov Bailey Speaks		-	-	High
3:30 PM	Europe	German ZEW Economic Sentiment		19.90	10.30	Medium
7:00 PM	US	Empire State Manufacturing Index		-1.1	-12.6	Medium
Wednesday, February 19, 2025						
Tentative	US	President Trump Speaks		-	-	High
7:00 AM	China	New Home Prices m/m		-	-0.1%	Medium
12:30 PM	UK	CPI y/y		2.80%	2.30%	High
7:00 PM	US	Housing Starts		1.39M	1.50M	Medium
Thursday, February 20, 2025						
12:30 AM	US	FOMC Meeting Minutes		-	-	High
6:30 AM	China	1-y Loan Prime rate		3.10%	3.10%	High
7:00 PM	US	Unemployment Claims		214k	207k	Medium
7:00 PM	US	Philly Fed Manufacturing Index		19.40	44.30	Medium
9:00 PM	US	Natural Gas Storage				Medium
10:30 PM	US	Crude Oil inventories			4.1M	Medium
Friday, February 21, 2025						
12:30 PM	UK	Retail Sales m/m		0.30%	-0.3%	High
2:30 PM	Europe	Flash Manufacturing PMI		46.90	46.60	High
2:30 PM	Europe	Flash Services PMI		51.50	51.30	High
3:00 PM	UK	Flash Manufacturing PMI		48.50	48.30	High
3:00 PM	UK	Flash Services PMI		50.80	50.80	High
8:15 PM	US	Flash Manufacturing PMI		51.20	51.20	High
8:15 PM	US	Flash Services PMI		53.20	52.90	High
8:30 PM	US	Existing Home Sales		4.13M	424M	Medium
8:30 PM	US	Revised UoM Consumer Sentiment		67.8	67.8	Medium



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Bhavesh Soni Email address: headsservicequality@icicidirect.com Contact Number: 18601231122

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