

February 6, 2025

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	February	Sell	6280-6290	6120	6350	Intraday

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News and Developments

- Spot gold prices continued its record run and gained more than 1% yesterday on safe haven buying and weakness in the US dollar. Escalating US-China trade war has strengthened the bullish bets. Further, mixed US economic numbers also supported the bullions to scale new highs.
- US Dollar index hit its 1-week lows after the 10 year yields dropped to a 7-week low. Further, sharp appreciation in Japanese yen also weighed on the dollar. In addition, the widening of the US Dec trade deficit to a 2 year high was bearish for the dollar. The dollar extended its losses after the US Jan ISM services index fell more than expected. Meanwhile, stronger than expected US ADP employment data limited its downside.
- The US Dec ADP employment change rose 183,000, stronger than expectations of 150,000, and Nov numbers were revised upward to 176,000 from the previously reported 122,000.
- US treasury yields fell to multi week lows on Wednesday amid weaker than expected service sector numbers. US ISM service PMI slipped to 52.8 from 54.0 in December. Further, uncertainty over Trump administration's tariff policy and trade war concerns also weighed on the yields.
- NYMEX Crude oil prices tumbled almost 2% after weekly EIA inventory data reported a sharp jump in inventory levels for the 2nd time in a row. Crude oil inventories rose 8.7 million barrels last week and gasoline stocks rose to highest since January 2024. Biggest crude oil inventory jump in a year has outweighed the supply concerns.
- Copper prices gained for the 3rd day in a row despite trade worries. Prices found support from weaker dollar and return of China from a long holiday break .
- Natural gas prices held steady after a volatile session as mild weather forecast offset expectation of higher demand.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	84567	0.92%	2867.2	0.86%
Silver	95965	0.27%	32.31	0.44%
Copper	851.0	1.32%	9240.0	0.98%
Aluminium	255.0	0.41%	2616.0	-0.82%
Zinc	267.3	-0.21%	2780.0	-0.98%
Lead	181.2	0.06%	2003.0	1.68%
WTI Crude Oil	6230	-1.78%	71.03	-2.30%
US Nat Gas	285.7	-0.63%	3.36	3.29%

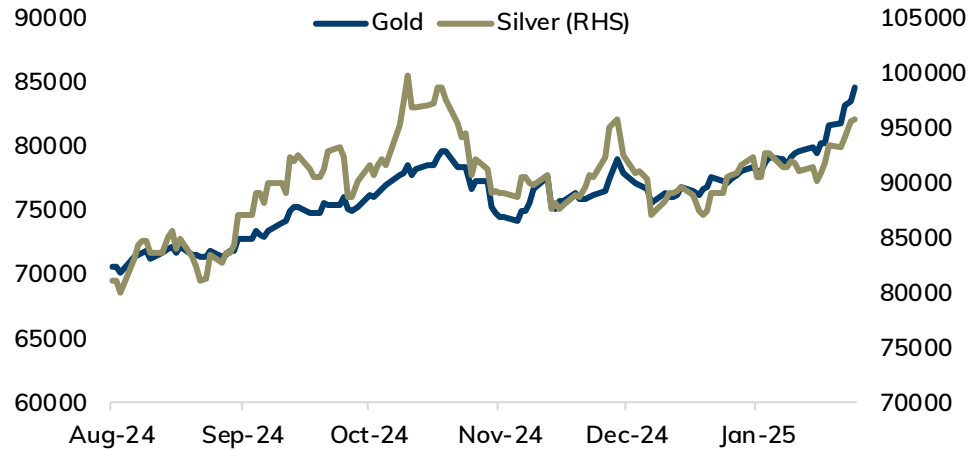
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (25th February)	87.56	0.37%	2410731	-76840	631858	343555
EURINR (25th February)	91.21	1.17%	20637	3263	6487	3458
GBPINR (25th February)	109.74	1.28%	20019	2190	4338	624

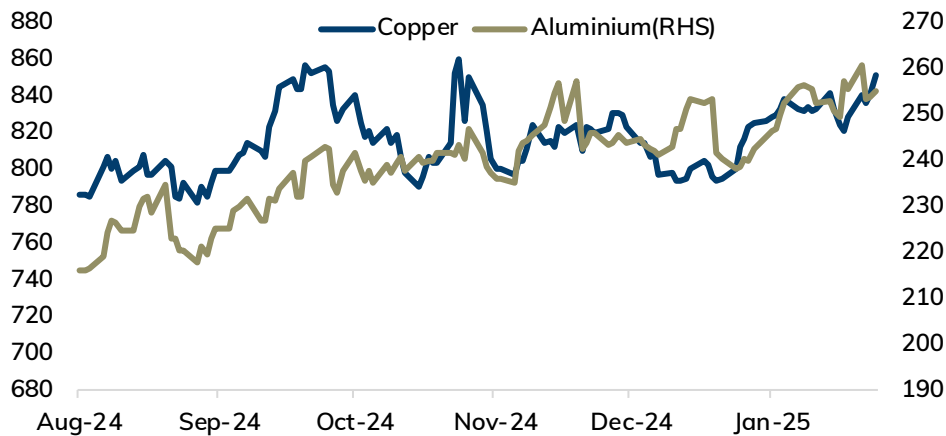
Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	February	Sell	287-288	275	295	Profit booked

MCX Gold vs. Silver



MCX Copper vs. Aluminium



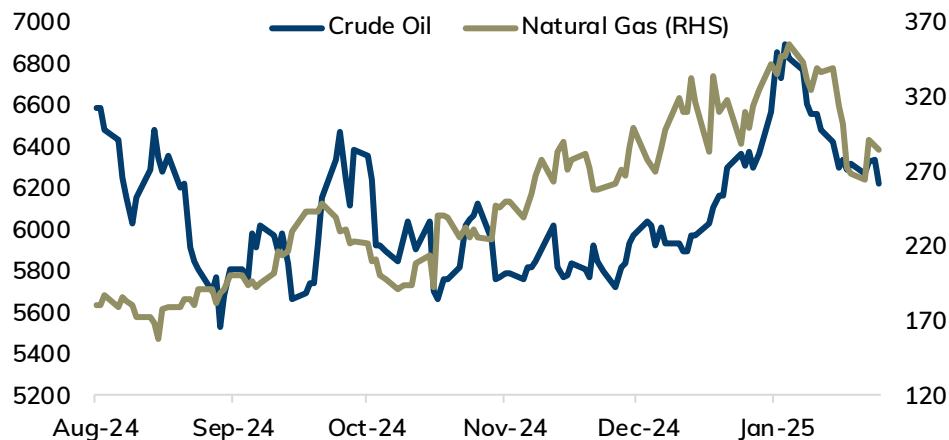
Bullion Outlook

- Gold is likely to hold its ground and extend its gains amid safe haven buying. Heightened trade war uncertainties is likely to push prices higher. Further, rising prices in the physical market indicates increasing investor demand. Further, rate cut from BOE for the 2nd time would also provide support to the yellow metal. Moreover, expectation of rise in weekly unemployment claims data could weigh on the dollar and support the bullions to scale new highs. Spot gold is expected to hold the support of \$2850 and move higher towards \$2900. Meanwhile, a higher call base near 2900 strike could act as key resistance for price.
- MCX Gold April is expected to march towards ₹85,000 level as long as it stays above ₹83,900 level. Only a move below ₹83,900 level prices may slip towards ₹83,400 level
- MCX Silver March is expected to hold its gains and move towards ₹96,600. Above ₹96,600 level it would open the doors towards ₹98,000. On the downside immediate support exists near ₹95,000 level.

Base Metal Outlook

- Copper prices are expected to extend its rebound amid softness in the dollar and improved manufacturing activity in US. Further, increasing net speculative long position to a 12- week high indicates prices to trade higher. Additionally, depleting inventory levels in LME and increasing prospects of fresh round of stimulus from China would help the metal to trade higher. Meanwhile, trade war concerns and demand uncertainties from China would restrict any major up move in the metal.
- MCX Copper February has formed a bullish double bottom pattern, which is expected to push prices further towards ₹855. Only below ₹840 level copper prices may slip towards ₹834 level
- MCX Aluminium Feb is expected to hold its ground near ₹251 level and move towards ₹257 level. MCX Zinc Feb is likely to rise towards ₹270 level as long as it stays above ₹265 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to face the hurdle near \$73 and remain under pressure amid sign of weaker demand in US. Easing geopolitical risk and sharp jump in weekly crude oil inventories would weigh on prices. Further, concerns over new trade war between US and China would increase demand uncertainty. Meanwhile, growing bets of sanction on Iran by the Trump administration may limit downside in oil prices.
- On the data front, fresh addition of OI in ATM and OTM call strikes indicates prices to face stiff resistance. Again unwinding of OI in OTM put strikes indicates more downside. MCX Crude oil Feb is likely to face the hurdle near ₹6350 and move lower towards ₹ 6050.
- MCX Natural gas Feb is expected to face the hurdle near ₹295 and move lower towards ₹275. Mild US weather forecast would likely to keep a check on gas prices. Meanwhile, investor will keep an eye on weekly inventory levels to get further clarity in direction.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	83617	84092	84493	84968	85369
Silver	94680	95322	95904	96546	97128
Copper	834.1	842.5	847.4	855.8	860.7
Aluminium	251.4	253.2	254.2	256.0	257.1
Zinc	262.8	265.1	266.4	268.7	270.0
Lead	180.6	180.9	181.3	181.6	182.1
Crude Oil	6131	6180	6270	6319	6409
Nat Gas	272	279	284	291	295

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	87.11	87.33	87.49	87.72	87.88
US\$INR (Mar)	87.32	87.53	87.65	87.86	87.98
EURINR (Feb)	90.22	90.71	91.05	91.54	91.88
EURINR (Mar)	93.51	92.69	93.51	92.69	93.51
GBPINR (Feb)	108.15	108.94	109.40	110.19	110.65
GBPINR (Mar)	108.12	109.25	108.12	109.25	108.12
JPYINR (Feb)	56.81	57.39	57.70	58.28	58.59
JPYINR (Mar)	59.13	58.40	59.13	58.40	59.13

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	107.58	107.96	-0.35%
US\$INR	87.46	87.08	0.44%
EURUSD	1.0403	1.0379	0.23%
EURINR	91.01	90.03	1.08%
GBPUSD	1.2505	1.2480	0.20%
GBPINR	109.48	108.19	1.20%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.662	6.673	-0.01
US	4.418	4.511	-0.09
Germany	2.366	2.396	-0.03
UK	4.437	4.522	-0.09
Japan	1.288	1.279	0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
18-12-2024	9:00 PM	-0.9M	-1.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	252325	-2625	-1.03%
Aluminium	576700	-4500	-0.77%
Zinc	174150	-2275	-1.29%
Lead	221175	300	0.14%
Nickel	172584	0	0.00%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, February 03, 2025						
7:15 AM	China	Caixin Manufacturing PMI	50.10	50.60	50.50	Medium
3:30 PM	Europe	CPI Flash Estimate y/y	2.50%	2.4%	2.4%	Medium
All Day	All	OPEC-JMMC Meetings	-	-	-	High
8:30 PM	US	ISM Manufacturing PMI	50.90	49.30	49.30	High
Tuesday, February 04, 2025						
8:30 PM	US	JOLTS Job Openings	7.60M	7.88M	8.10M	High
8:30 PM	US	Factory Orders m/m	-0.90%	-0.70%	-0.40%	Medium
Wednesday, February 05, 2025						
6:45 PM	US	ADP Non-Farm Employment Change	183K	149k	122k	High
8:30 PM	US	ISM Services PMI	52.8	54.20	54.10	High
9:00 PM	US	Crude Oil Inventories	8.7M	2.4M	3.5M	High
Thursday, February 06, 2025						
5:30 PM	UK	Official Bank Rate		4.50%	4.75%	High
5:30 PM	UK	BOE Monetary Policy		-	-	High
7:00 PM	US	Unemployment Claims		214k	207k	Medium
9:00 PM	US	Natural Gas Storage			(-321)B	Medium
Friday, February 07, 2025						
10:00 AM	India	RBI Interest Rate Decision		6.3%	6.5%	High
7:00 PM	US	Average Hourly Earnings m/m		0.3%	0.3%	High
7:00 PM	US	Non-Farm Employment Change		154k	256k	High
7:00 PM	US	Unemployment Rate		4.10%	4.10%	High
8:30 PM	US	Prelim UoM Consumer Sentiment		71.4	71.1	Medium
8:30 PM	US	Prelim UoM Inflation Expectations		-	3.30%	Medium



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