

February 20, 2025

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	March	Sell	6320-6330	6150	6390	Intraday

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News and Developments

- Spot gold prices hit record high on Wednesday amid persistent trade war fears. Latest tariff threats from US president Donald Trump fueled safe haven demand and pushed prices to rally towards \$2946 per ounce. Meanwhile, hawkish FOMC minutes checked the gains in bullion prices.
- Spot silver, also erased its earlier gains towards the end of session amid strong dollar and hawkish FOMC meeting minutes.
- U.S. dollar index regained its strength and moved higher amid the latest round of tariff threats from U.S. President Donald Trump and peace talks to end the Russia-Ukraine war. Higher tariffs could increase the inflationary pressure and force the Fed to hold rates this year. Meanwhile, weaker than expected US housing starts numbers checked its upside.
- US treasury yields moved lower after the latest minutes showed that the Fed members are considering to slow down or pause the quantitative tightening. The US 2-year yield which tracks the Fed policy moves, settled near 4.27% and the 10-year yield settled at 4.53%.
- NYMEX Crude oil prices traded higher on short term supply concerns despite new tariff threats from US President Donald Trump. Further, speculation over OPEC+'s delay in rise in production from April also supported oil prices to trade above \$72 per barrel mark.
- Base metal prices traded mixed after U.S President Trump threatened for a 25% tariff on autos and semiconductor chips. Meanwhile, improvement in new home prices in China supported metal prices to counter the tariff threats.
- US natural gas futures gained the most and hit its highest in 2-years amid extreme cold weather in US. In addition, forecasters expect colder-than-normal temperatures in the Lower 48 states through February 22, keeping demand high.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	85910	-0.24%	2933.4	-0.09%
Silver	96406	-0.46%	32.70	-0.56%
Copper	868.1	-0.03%	9466.5	-0.06%
Aluminium	262.4	0.17%	2687.0	0.69%
Zinc	268.7	-0.54%	2876.0	-0.28%
Lead	179.6	-0.11%	1997.0	0.03%
WTI Crude Oil	6288	0.88%	72.25	0.56%
US Nat Gas	368.8	8.79%	4.28	6.81%

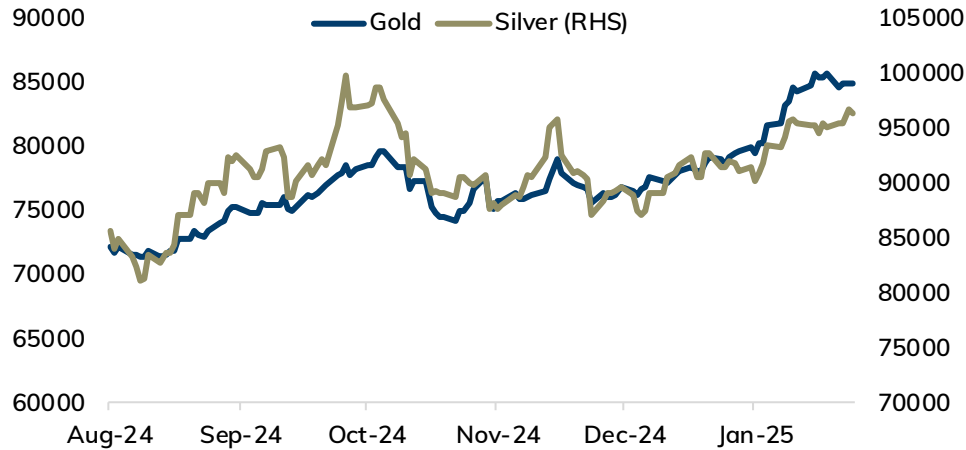
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (25th February)	87.01	0.07%	3260893	24419	483731	360160
EURINR (25th February)	91.03	-0.21%	21517	-3	6864	4499
GBPINR (25th February)	109.58	0.05%	19014	-1609	5214	3607

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	March	Buy	35200-85250	86200	84800	Not Initiated

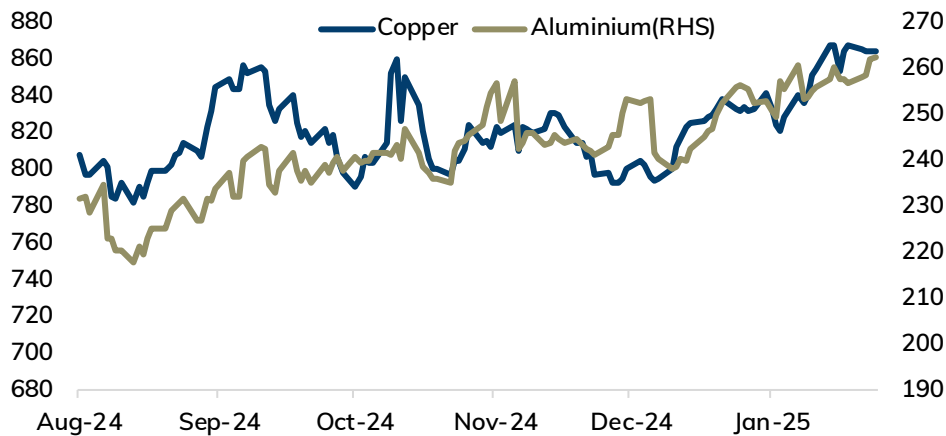
MCX Gold vs. Silver



Bullion Outlook

- Gold is expected to hold the key support at \$2910 and may move higher towards \$2960 amid increasing safe haven demand. Meanwhile, weakness in US treasury yields would also provide support to the bullions. Uncertainty economic environment and escalating trade tension would increase safe haven demand. On the other hand, diminishing prospects of rate cut in this year would check more upside in the bullions.
- Gold price is hovering near its all time high at \$2946. A move above could open the doors towards \$2960. Higher concentration of OI in 2950 call strike could provide some resistance, but a move above \$2950 could bring short covering rally. MCX Gold April is expected to hold the support ₹85,500 and move towards ₹87,000 level.
- Spot silver, is expected rise towards \$33.00, as long as it trades above \$32. MCX Silver is expected to rise towards ₹98,200, as long as it holds above ₹95,600.

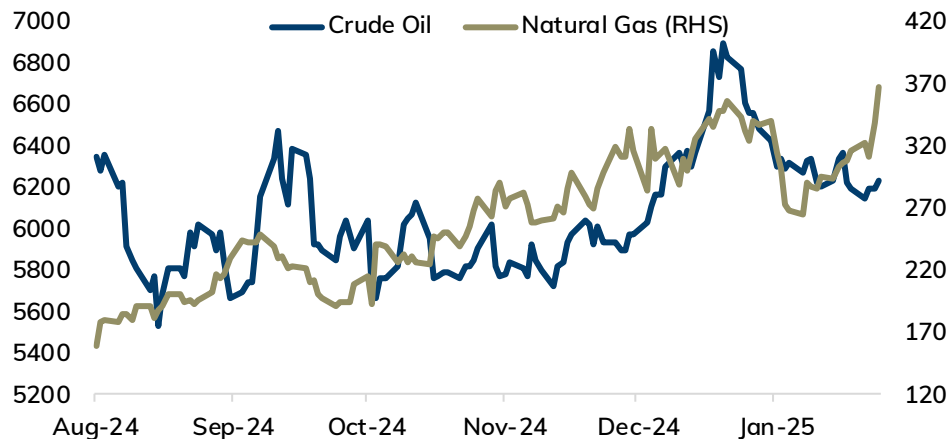
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to hold its current levels and may move higher on the prospects of demand improvement in China. The prospects of higher costs on copper imports into the US will likely to provide some support to metal prices. Furthermore, narrowing contango in between LME cash and 3M forwards indicated supply concerns. Meanwhile, sluggish growth in the housing sector would restrict any major upside in base metals.
- MCX Copper February is expected to hold the support at ₹ 860 and may rebound towards ₹875.
- MCX Aluminium Feb is expected to find support near ₹259 level and move higher towards ₹264 level. Tightness in the physical market and depleting inventories would support the metal to stay higher. MCX Zinc Feb is hovering in the band of ₹267 and ₹271. A move above ₹271 would open the doors towards ₹274 level. Similarly, a move below ₹267 it would turn weaker.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to face the hurdle near \$73 and move lower towards \$70 amid continuous build in US crude oil inventories. Last week API data indicated a surge of 9 million barrels against expectation of 2.8 million barrel increase. Meanwhile, global supply uncertainty and conflicting reports whether OPEC+ will ease or extend output cuts in April would bring volatility in price.
- On the data front, addition of OI has been observed in OTM Calls. On upside \$73 would act as key hurdle. Similarly, higher OI concentration at 70 put strike would act as major support. MCX Crude oil March is likely to consolidate in the band of ₹6150 and ₹6390 in the near term, Only close below ₹6150 it would weaken towards ₹6050.
- MCX Natural gas Feb is expected to hold the support at ₹360 and move higher towards ₹385. 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	85389	85649	86121	86381	86853
Silver	95043	95725	96621	97303	98199
Copper	858.4	863.2	869.1	873.9	879.8
Aluminium	257.6	260.0	263.2	265.6	268.7
Zinc	265.4	267.0	269.0	270.6	272.6
Lead	178.5	179.0	179.5	180.1	180.6
Crude Oil	6211	6250	6298	6337	6385
Nat Gas	335	352	362	379	389

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	86.91	86.96	87.00	87.05	87.09
US\$INR (Mar)	87.12	87.17	87.22	87.26	87.32
EURINR (Feb)	90.82	90.92	91.04	91.15	91.27
EURINR (Mar)	91.21	91.43	91.44	91.66	91.67
GBPINR (Feb)	109.25	109.42	109.63	109.80	110.02
GBPINR (Mar)	108.08	109.15	108.08	109.15	108.08
JPYINR (Feb)	57.28	57.32	57.54	57.58	57.79
JPYINR (Mar)	59.12	58.40	59.12	58.40	59.12

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
12-02-2025	9:00 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
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	270900	7125	2.70%
Aluminium	547950	-4000	-0.72%
Zinc	155550	-3200	-2.02%
Lead	219825	-950	-0.43%
Nickel	190452	936	0.49%

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	22.0K	10.0K	0.7K	High
3:00 PM	UK	BOE Gov Bailey Speaks		-	-	High
3:30 PM	Europe	German ZEW Economic Sentiment	26.00	19.90	10.30	Medium
7:00 PM	US	Empire State Manufacturing Index	5.7	-1.1	-12.6	Medium
Wednesday, February 19, 2025						
Tentative	US	President Trump Speaks		-	-	High
7:00 AM	China	New Home Prices m/m	-0.70%	-	-0.8%	Medium
12:30 PM	UK	CPI y/y	3.00%	2.80%	2.30%	High
7:00 PM	US	Housing Starts	1.37M	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%	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



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