

January 27, 2025

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	February	Sell	840-841	834	844	Intraday

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News and Developments

- Spot gold prices ended on positive note gaining 0.58%, while Silver prices rose 0.44% on Friday amid weakness in dollar and softening of US treasury yields. Further, prices rallied as US President Donald Trump pushed for lower interest rates and uncertainty surrounding trade policies
- Silver prices rose 0.44% on Trump's tariff comments on China, which eased the chances of a trade war, that would limit economic growth and industrial metals demand
- US Dollar ended on the negative note losing 0.6% on Friday amid expectations that tariffs ordained by US President Donald Trump will be lower than previously afraid of and not likely to spur an international trade war. Moreover, US President Trump said he wants the Federal Reserve to cut interest rates. Additionally, on data front US business activity slowed to a 9-month low in January amid rising price pressures and consumer sentiment also weakened in January amid worries about the labor market and potential higher prices for goods
- US Composite PMI Output Index declined to 52.4 this month, lowest level since April and was down from 55.4 in December. The University of Michigan US consumer sentiment index was revised downward to 71.1, weaker than expectations of no change at 73.2
- US Treasury yields were down on weaker than expected economic data from US. The benchmark US Treasury 10-year yield slipped to 4.617%. While 2-year treasury yield, which typically moves in step with interest rate expectations softened to 4.263%.
- Crude oil prices settled higher on Friday gaining 0.43% on weakness in dollar and fear of addition of new tariffs to his sanctions threat against Russia
- Copper prices ended on the negative note losing 0.22% on Friday as investors locked in profits from recent rally, awaiting clarity on tariffs.

Source: Bloomberg, Reuters, ICICI Direct Research

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	80026	0.50%	2770.6	0.57%
Silver	91599	0.49%	30.59	0.43%
Copper	841.3	1.02%	9276.0	0.48%
Aluminium	252.8	0.08%	2641.0	0.67%
Zinc	269.0	-0.65%	2827.5	-0.67%
Lead	177.8	0.14%	1939.0	-0.51%
WTI Crude Oil	6389	-0.95%	74.66	0.05%
US Nat Gas	340.5	0.89%	4.03	2.08%

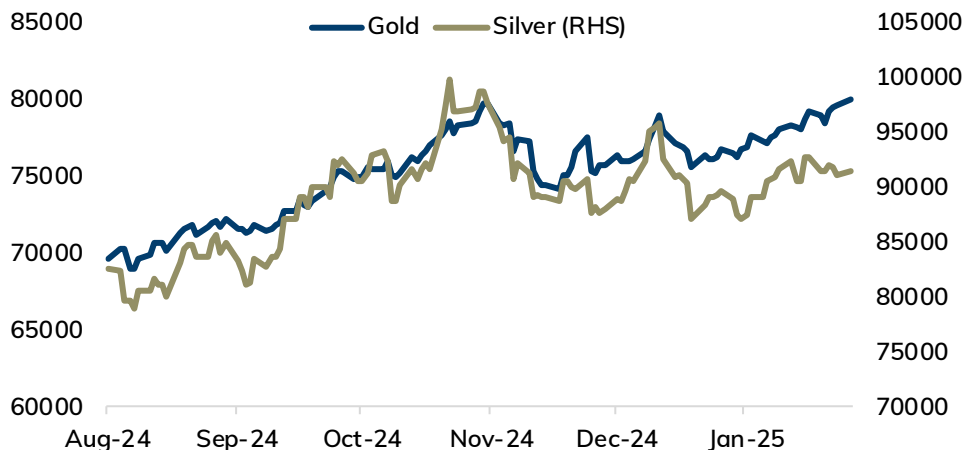
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th January)	86.27	-0.23%	2450886	-348448	642059	302882
EURINR (29th January)	90.43	0.40%	15756	-958	4015	2039
GBPINR (29th January)	107.15	0.53%	24777	-1736	9629	5898

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Silver Micro	February	Buy	91050-91100	92000	90600	Not Initiated

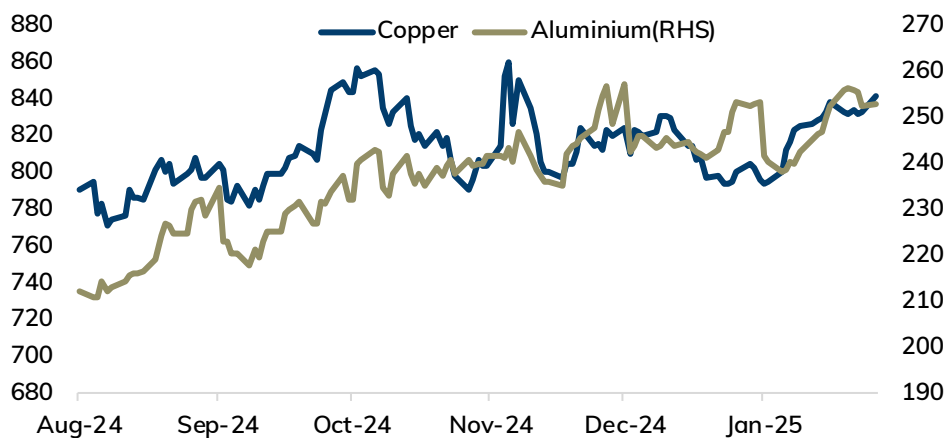
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to rise further towards \$2790 level on softening of US treasury yields following US President Donald Trump comments on lower interest rates and weaker than expected economic data from US. Further, prices may rally on rise in demand for safe haven following uncertainty surrounding potential tariffs plans. Furthermore, Trump administration said they will impose sweeping measures on Colombia after country turned away 2 US military aircraft with migrants being deported
- Spot gold is likely to rise towards \$2790 level as long as it trades above \$2740 level. MCX Gold February is expected to rise further towards ₹80,400 level as long as it stays above ₹79,500 level
- Spot Silver is likely to face stiff resistance near \$31 level and dip further towards \$30. A break below \$30 level prices may slip further towards \$29.50 level. MCX Silver March is expected to slip towards ₹90,000 level as long as it trades below ₹92,500 level

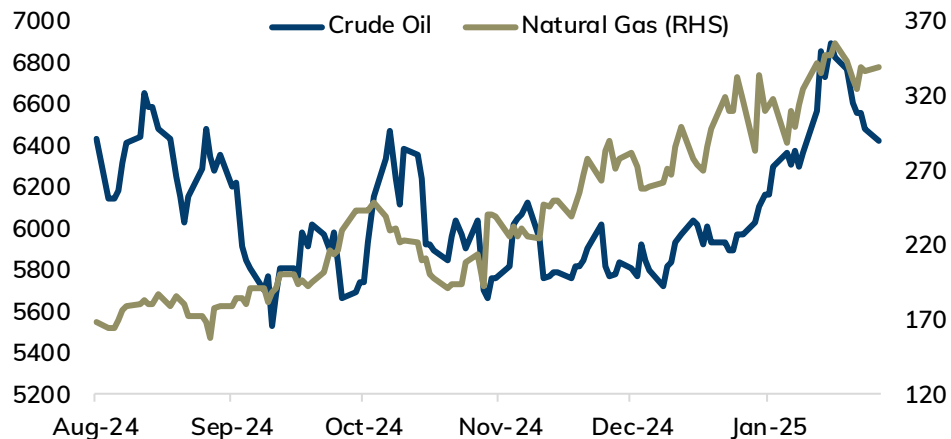
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with negative bias on disappointing economic data from China and risk aversion in the global markets. Data showed that activity in manufacturing sector remained in contractionary phase in January, hurting demand for base metal. Additionally, all eyes will be on US President Donald Trump tariffs plan at the start of the week where US Fed is widely expected to keep rates unchanged. Meanwhile, decline in LME inventories would cushioned sharp fall in prices
- MCX Copper February is expected to slip towards ₹830 level as long as it stays below ₹845 level. A break below ₹830 level copper prices may slip further towards ₹825 level
- MCX Aluminium Feb is expected to face stiff resistance near ₹254 level and slip back towards ₹248 level. MCX Zinc Feb is likely to slip towards ₹267 level as long as it stays below ₹273 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade with negative bias and slip further towards \$72.50 level as US President Donald Trump called on OPEC to reduce oil prices. Further, prices may slip on easing tensions in the Middle East following ceasefire between Hamas and Israel. Moreover, US President Donald Trump plan to maximize US oil and gas production has raised concerns of higher output when market is expected to remain in surplus this year. Additionally, disappointing economic data from China will hurt prices
- NYMEX Crude oil is likely to slip further towards \$72.50 level as long as its stays below \$75.0 level. MCX Crude oil Feb is likely to slip further towards ₹6250 level as long as it stays below ₹6500 level.
- MCX Natural gas Feb is expected to slip further towards 285 level (20-Day EMA) as long as it stays below 300 level. A break below 285 level prices may dip further towards 280 level.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	79401	79713	80013	80325	80625
Silver	90641	91120	91879	92358	93117
Copper	827.2	834.2	842.1	849.2	857.1
Aluminium	250.9	251.8	253.4	254.4	256.0
Zinc	264.7	266.9	270.4	272.5	276.0
Lead	177.2	177.5	177.8	178.1	178.5
Crude Oil	6314	6351	6407	6444	6500
Nat Gas	322	331	337	346	352

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	86.10	86.18	86.28	86.36	86.46
US\$INR (Feb)	86.27	86.37	86.49	86.59	86.71
EURINR (Jan)	89.92	90.17	90.39	90.64	90.86
EURINR (Feb)	90.52	90.64	90.62	90.74	90.72
GBPINR (Jan)	106.59	106.87	107.03	107.31	107.48
GBPINR (Feb)	106.87	107.24	106.87	107.24	106.87
JPYINR (Jan)	55.35	55.50	55.62	55.77	55.90
JPYINR (Feb)	56.63	56.27	56.63	56.27	56.63

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	107.44	108.05	-0.56%
US\$INR	86.21	86.47	-0.30%
EURUSD	1.0497	1.0415	0.79%
EURINR	90.47	90.03	0.49%
GBPUSD	1.2484	1.2353	1.06%
GBPINR	107.13	106.50	0.59%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.721	6.734	-0.01
US	4.621	4.644	-0.02
Germany	2.569	2.550	0.02
UK	4.629	4.636	-0.01
Japan	1.231	1.209	0.02

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
11-12-2024	9:00 PM	-1.4M	-1.0M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	257625	-1425	-0.55%
Aluminium	595175	-2500	-0.42%
Zinc	188425	-2700	-1.41%
Lead	225475	-2025	-0.89%
Nickel	173808	744	0.43%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, January 27, 2025						
7:00 AM	China	Manufacturing PMI		50.10	50.10	High
2:30 PM	Europe	German ifo Business Climate		84.9	84.7	Medium
8:30 PM	US	New Home Sales		669k	664k	Medium
Tuesday, January 28, 2025						
7:00 PM	US	Durable Goods Orders m/m		0.10%	-1.20%	Medium
8:30 PM	US	CB Consumer Confidence		105.90	104.70	High
8:30 PM	US	Richmond Manufacturing Index		-8	-10	Medium
Wednesday, January 29, 2025						
7:45 PM	UK	BOE Gov Bailey Speaks		-	-	High
9:00 PM	US	Crude Oil Inventories		-	(-1.0)M	Medium
Thursday, January 30, 2025						
12:30 AM	US	Federal Funds Rate		4.50%	4.50%	High
12:30 AM	US	FOMC Statement		-	-	High
6:45 PM	Europe	Main Refinancing Rate		2.90%	3.15%	High
7:00 PM	US	Advance GDP q/q		2.70%	3.10%	High
7:00 PM	US	Advance GDP Price Index q/q		2.50%	1.90%	Medium
7:00 PM	US	Unemployment Claims		221k	223k	Medium
7:15 PM	Europe	ECB Press Conference		-	-	High
8:30 PM	US	Pending Home Sales m/m		-1.0%	2.2%	Medium
9:00 PM	US	Natural Gas Storage			(-223) B	Medium
Friday, January 31, 2025						
Tentative	Europe	German Prelim CPI m/m		0.10%	0.50%	High
7:00 PM	US	Core PCE Price Index m/m		0.20%	0.10%	High
7:00 PM	US	Employment Cost Index q/q		0.90%	0.80%	High
Saturday, February 01, 2025						
All Day	India	Union Budget		-	-	High



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