

May 16, 2025

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	May	Sell	295-296	285	301	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 ended on the positive note gaining almost 2%, while Silver prices increased more than 1% yesterday on weakness in dollar and softening of US treasury yields. Further, prices rose on weak U.S. economic data. Moreover, demand for safe haven increased as Russian President Vladimir Putin's failure to attend peace talk in Turkey lowered expectations of progress towards peace deal
- US Dollar ended on the negative note losing 0.21% yesterday on disappointing economic data from U.S. The gauge of consumer health showed retail spending slowed in April due to uncertain economic outlook. Moreover, weaker than expected producer prices and manufacturing output added downside pressure.
- U.S. treasury yields ended on the negative note yesterday after data showed slow down in the world's largest economy in April. Weaker than expected producer prices, manufacturing output and retail sales data cemented expectation of 2 rate cuts this year by U.S. Federal Reserve. Benchmark U.S. Treasury 10-year yield slipped to 4.431%. While 2-year treasury yield, which typically moves in step with interest rate expectations decline to 3.954%.
- U.S. retail sales edged up 0.1% last month after an upwardly revised 1.7% surge in March. Producer price index (PPI) for final demand dropped 0.5% last month. Weekly initial jobless claims held steady at 229,000, in line with expectations
- Crude oil prices settled lower yesterday losing almost 2% as potential nuclear deal between U.S. and Iran raised prospect of increased crude supply. Moreover, prices slipped on disappointing economic data from U.S.
- Copper prices ended on the positive note amid weakness in dollar and on US-China trade truce
- Natural gas prices edged lower yesterday as EIA said energy firms added 110 billion cubic feet of gas into storage during the week ended May 9 and forecasts for less demand next week

Source: Bloomberg, ICICI Direct Research

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	93169	0.98%	3240.1	1.98%
Silver	95915	0.47%	32.64	1.28%
Copper	862.3	0.30%	9577.0	-0.31%
Aluminium	241.1	-1.19%	2489.0	-1.56%
Zinc	259.1	-0.58%	2724.5	-1.46%
Lead	178.7	0.06%	2004.5	0.40%
WTI Crude Oil	5271	-2.71%	61.62	-2.42%
US Nat Gas	292.1	-2.41%	3.36	-3.72%

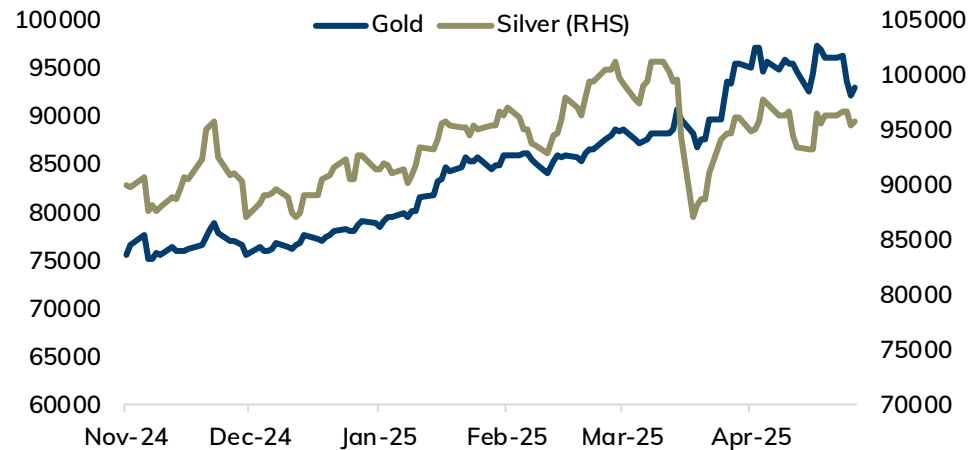
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th May)	85.55	0.20%	1157954	9635	273606	-41650
EURINR (28th May)	95.87	-0.04%	27771	1929	6126	-2238
GBPINR (28th May)	113.76	-0.10%	25413	7945	9676	4050

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	June	Sell	5400-5410	5250	5500	Not Initiated

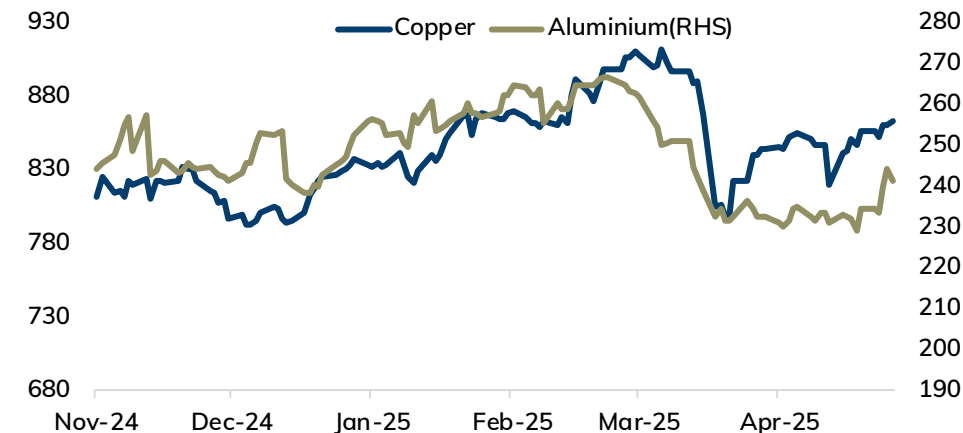
MCX Gold vs. Silver



Bullion Outlook

- Gold is expected to rise further towards \$3265 level on weak dollar and decline in U.S. treasury yields. Yields are moving lower as weaker than expected economic data from U.S. signaled slowdown in economic growth reinforcing expectations that Federal Reserve will cut rate twice this year. Markets are pricing in 57 basis points of rate cuts this year, with the easing projected to start in September. Moreover, investors will remain cautious ahead of consumer sentiment and inflation expectation data from U.S. If data shows consumer sentiments ebbed again in May, then we may see further upside in gold prices.
- Spot gold is likely to rise further towards \$3265 level as long as it stays above \$3170 level. MCX Gold June is expected to rise towards ₹94,000 level as long as it stays above ₹92,300 level
- MCX Silver July is expected to rise further towards ₹97,000 level as long as it trades above ₹94,500 level.

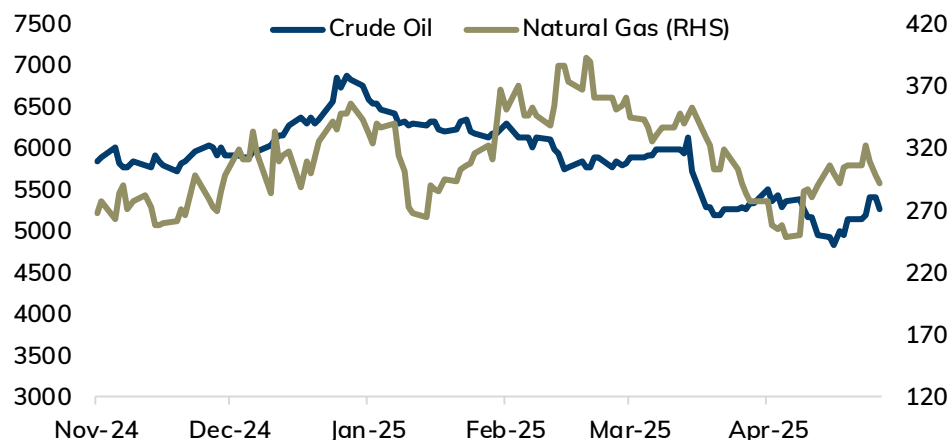
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with positive bias on weakness in dollar, persistent decline in LME inventories and on signs of improved demand from China. Yangshan copper premium, which reflects demand for copper imported into China, reached \$100 per ton, indicating recovery in demand. Further, US-China trade truce will continue to support prices. Meanwhile, sharp upside would be capped as weaker than expected economic data from U.S. raised concerns over economic health in the world's largest economy
- MCX Copper May is expected to rise towards ₹868 level as long as it stays above ₹852 level. On contrary, a break below ₹852 level prices may slip towards ₹844 level
- MCX Aluminium May is expected to correct further towards ₹237 level as long as it stays below ₹244 level. MCX Zinc May is likely to move south towards ₹254.50 level as long as it stays below ₹261.50 level.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is likely to correct further towards \$60 on weak global market sentiments and concerns about oversupply. US President Donald Trump said both the parties US and Iran are getting closer to nuclear deal, which could lead to sanctions being lifted and more crude oil entering the market. Moreover, easing geopolitical risk would weigh on oil prices. Additionally, adding to the negative sentiment IEA said world oil supply will rise more rapidly than previously expected this year as Saudi Arabia and other OPEC+ members unwind output cuts
- MCX Crude oil June is likely to slip towards ₹5130 level as long as it stays below ₹5360 level. A break below ₹5130 level prices may dip further towards ₹5050.
- MCX Natural gas May is expected to slip further towards ₹280 level as long as it stays below ₹302 level.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	89946	91557	92502	94113	95058
Silver	92912	94413	95302	96803	97692
Copper	847.3	854.8	858.9	866.4	870.5
Aluminium	237.5	239.3	241.8	243.6	246.2
Zinc	254.1	256.6	259.0	261.5	263.9
Lead	175.6	177.2	178.2	179.8	180.8
Crude Oil	5126	5198	5257	5329	5388
Nat Gas	284	288	294	298	303

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	85.16	85.35	85.57	85.76	85.98
US\$INR (June)	85.52	85.62	85.79	85.89	86.06
EURINR (May)	95.62	95.74	95.97	96.09	96.32
EURINR (June)	93.99	95.13	93.99	95.13	93.99
GBPINR (May)	113.51	113.63	113.81	113.93	114.10
GBPINR (June)	110.17	112.09	110.17	112.09	110.17
JPYINR (May)	58.33	58.54	58.71	58.93	59.10
JPYINR (June)	57.24	58.14	57.24	58.14	57.24

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.88	101.04	-0.16%
US\$INR	85.55	85.28	0.32%
EURUSD	1.1187	1.1175	0.11%
EURINR	95.84	95.97	-0.13%
GBPUSD	1.3305	1.3263	0.32%
GBPINR	113.68	113.84	-0.14%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.274	6.285	-0.01
US	4.432	4.536	-0.10
Germany	2.622	2.699	-0.08
UK	4.660	4.713	-0.05
Japan	1.481	1.460	0.02

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
14-05-2025	8:00 PM	3.5M	-2.0M
07-05-2025	8:00 PM	-2.0M	-1.7M
30-04-2025	8:00 PM	-2.7M	-0.6M
23-04-2025	8:00 PM	0.2M	1.6M
16-04-2025	8:00 PM	0.5M	0.4M
09-04-2025	8:00 PM	2.6M	2.2M
02-04-2025	8:00 PM	6.2M	-0.4M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	184650	-925	-0.50%
Aluminium	397275	-2025	-0.51%
Zinc	165175	-1875	-1.12%
Lead	250675	400	0.16%
Nickel	199146	714	0.36%

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, May 12, 2025						
Tentative	China	New Loans		710B	364B	Medium
11:30 PM	US	Federal Budget Balance	258.4B	256.4B	(-160.5)B	Medium
Tuesday, May 13, 2025						
11:30 AM	UK	Claimant Count Change	5.2K	22.3K	18.7K	High
2:30 PM	Europe	German ZEW Economic Sentiment	25.2	9.8	-14	Medium
4:00 PM	India	Inflation Rate y/y	3.16%	3.10%	3.34%	Medium
6:00 PM	US	CPI y/y	2.30%	2.40%	2.40%	High
8:30 PM	UK	BOE Gov Bailey Speaks				Medium
Wednesday, May 14, 2025						
2:45 PM	US	FOMC Member Waller Speaks		-	-	Medium
8:00 PM	US	Crude Oil Inventories	3.5M	(-2.0)M	(-2.0)M	Medium
Thursday, May 15, 2025						
11:30 AM	UK	GDP m/m	0.20%	0.00%	0.50%	High
6:00 PM	US	Unemployment Claims	229k	229k	229k	High
6:00 PM	US	PPI m/m	-0.50%	0.20%	-0.40%	High
6:00 PM	US	Retail Sales m/m	0.10%	0.00%	1.40%	High
6:00 PM	US	Empire State Manufacturing Index	-9.2	-8.2	-8.1	Medium
6:10 PM	US	Fed Chair Powell Speaks	-	-	-	High
6:45 PM	US	Industrial Production m/m	0.00%	0.20%	-0.30%	Medium
8:00 PM	US	Natural Gas Storage	110B	111B	104B	Medium
Friday, May 16, 2025						
6:00 PM	US	Building Permits		1.45M	1.48M	Medium
7:30 PM	US	Prelim UoM Consumer Sentiment		53.1	52.2	High
7:30 PM	US	Prelim UoM Inflation Expectations		-	6.50%	High



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: headservicequality@icicidirect.com Contact Number: 18601231122

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