

February 17, 2025

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	March	Sell	6220-6230	6050	6300	Intraday

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News and Developments

- Spot gold prices failed to hold to its earlier gains and slipped more than 1% despite weakness in US dollar and treasury yields. Weaker than expected US retail sales numbers has supported the yellow metal to limit its losses. However, gold prices saw long liquidation pressure after the sharp rally seen in the past two months.
- Spot silver, also followed the yellow metal and erased all its gains to settle with a loss of 0.68%.
- U.S. dollar index fell to 2-month lows after US retail sales numbers reported first decline in a year. January retail sales numbers declined by 0.9% against previous reading of gain by 0.7% . Further, weaker than expected manufacturing production numbers also weighed on the dollar index.
- US treasury yields extended its weakness for the 2nd day in a row 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 lost almost 1% on Friday, amid easing geopolitical risk. An increasing prospects for an end to Russia's war on Ukraine eased geopolitical risk premiums. Meanwhile, softness in the dollar and increasing bets of fiscal stimulus from China supported oil prices To hold above \$70 mark.
- Copper prices eased from multi month highs as investors discounted the risk of potential sanction on metal by the new US Presidential administration. Meanwhile, a sharp jump in new loan approval in China supported the metal to limit its losses.
- US natural gas futures gained almost 2% on Friday amid increasing flows to LNG export plants and colder-weather forecast in US.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	84687	-1.31%	2882.5	-1.56%
Silver	95586	0.37%	32.10	-0.75%
Copper	864.9	-0.34%	9477.0	-0.08%
Aluminium	258.0	0.55%	2637.5	1.31%
Zinc	266.5	-0.13%	2842.5	-0.11%
Lead	181.4	0.47%	1983.0	-0.23%
WTI Crude Oil	6149	-0.76%	70.74	-0.77%
US Nat Gas	323.8	2.31%	3.73	2.67%

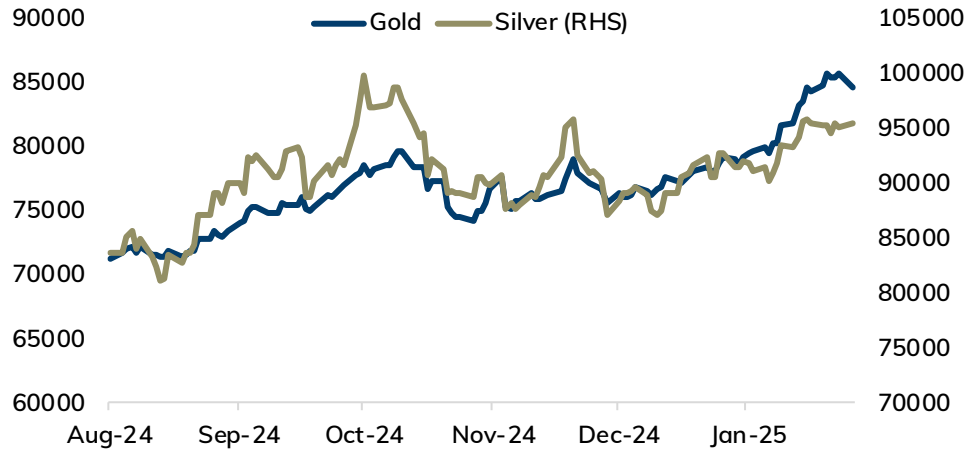
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (25th February)	86.88	-0.14%	3186707	103357	246723	-29240
EURINR (25th February)	91.01	0.28%	21778	434	2899	-9608
GBPINR (25th February)	109.26	0.52%	19872	968	3984	-5192

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	February	Buy	863-864	874	858	Profit Booked

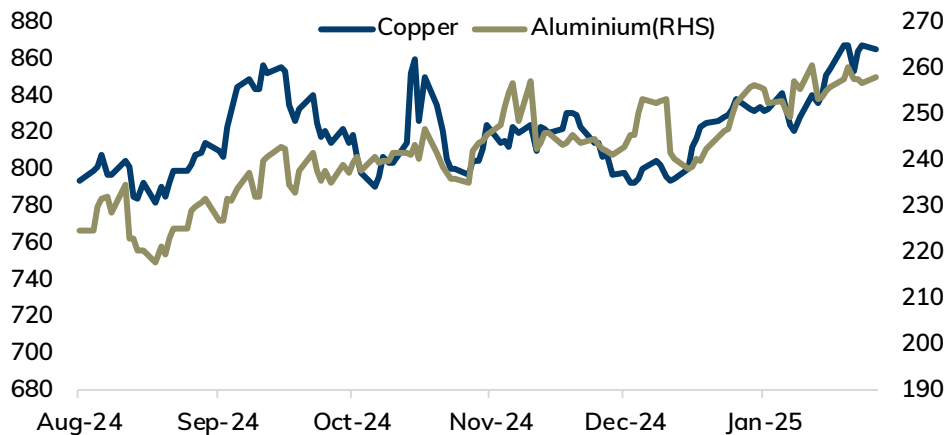
MCX Gold vs. Silver



Bullion Outlook

- Gold is expected to move in a tight range of \$2870 and \$2910 in today's session amid bank holiday in US. In a broader picture, gains in the yellow metal could be capped amidst easing tariff concerns. It is also expected that the Trump administration is widely using tariffs as a negating tool. Further, the reciprocal tariffs could take weeks or even months to complete. Meanwhile, a drop of OI in the CFTC report also indicates long liquidation.
- 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 face the hurdle near ₹85,400 and move lower towards ₹84,000 level.
- Sop 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.

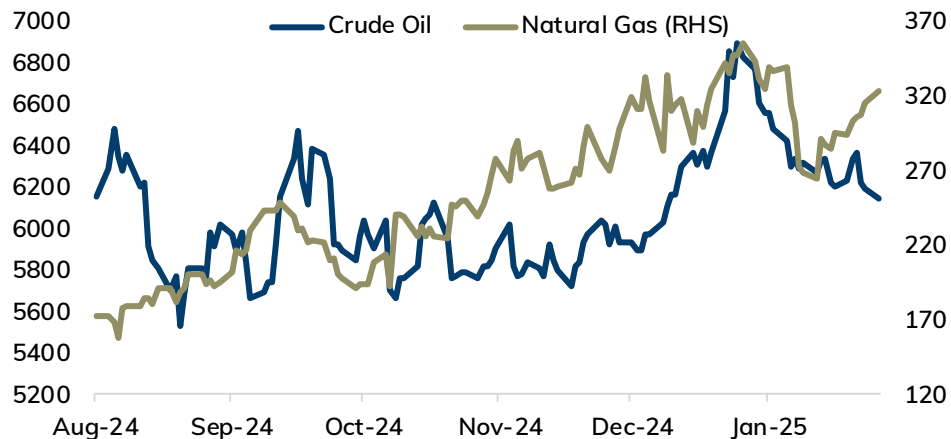
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to remain volatile amid tariff concerns. A tight physical market and weakness in the dollar would support the red metal, where as no sign of tariffs on Copper imports could limit its upside. Meanwhile, depleting inventory levels in LME and a sharp jump in CFTC net longs indicates prices to stay higher. Additionally, strong imports from China and pick up in industrial activity would also strengthen bullish bets.
- MCX Copper February is expected to hold the support near ₹ 850 and rebound towards ₹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. 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 trade lower amid easing supply concerns. Subdued physical demand and improved supply scenarios would weigh on prices. 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. Meanwhile, focus will remain on talks between Russia and Ukraine this week in Saudi Arabia, which could bring further clarity in price trend.
- 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 remain under pressure and move lower towards ₹6000 as long as it trades under ₹6300.
- MCX Natural gas Feb is expected to hold the 10 day EMA support at ₹306, if held then it would rebound towards ₹330. 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	83457	84072	85215	85830	86973
Silver	93396	94491	96345	97440	99294
Copper	851.7	858.3	869.5	876.1	887.3
Aluminium	255.8	256.9	258.1	259.2	260.5
Zinc	263.0	264.7	267.7	269.4	272.3
Lead	180.6	181.0	181.2	181.6	181.8
Crude Oil	6066	6107	6177	6218	6288
Nat Gas	308	316	323	331	337

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	86.71	86.80	86.89	86.97	87.06
US\$INR (Mar)	86.98	87.03	87.12	87.17	87.26
EURINR (Feb)	90.69	90.85	91.00	91.16	91.31
EURINR (Mar)	91.29	91.29	91.29	91.29	91.29
GBPINR (Feb)	108.83	109.05	109.22	109.44	109.62
GBPINR (Mar)	107.95	108.89	107.95	108.89	107.95
JPYINR (Feb)	57.13	57.17	57.23	57.27	57.33
JPYINR (Mar)	59.02	58.19	59.02	58.19	59.02

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	255225	17300	7.27%
Aluminium	560000	-4525	-0.80%
Zinc	162650	-775	-0.47%
Lead	223975	-1550	-0.69%
Nickel	183852	2952	1.63%

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



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