

January 13, 2025

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	January	Sell	827-828	819	832	Intraday

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## News and Developments

- Spot gold prices ended on positive note gaining 0.76%, while Silver prices rose by 0.94% on Friday despite of strong dollar and US treasury yields. Gold prices rallied on safe haven demand amid uncertainty surrounding the incoming Trump policies
- US Dollar ended on positive note gaining 0.44% on Friday following job data that showed US economy added more jobs than expected, reinforcing expectations that US Federal Reserve will keep interest rates elevated for longer than market expectations. Dollar also gained as US consumer inflation expectations for the next year and beyond jumped in January.
- US December Non-farm payrolls rose 256,000, stronger than expectations of 165,000 and the largest increase in 9 months. While, unemployment rate unexpectedly fell -0.1 to 4.1%. The University of Michigan's US January 1-year inflation expectations indicator unexpectedly accelerated to an 8-month high of 3.3%
- US treasury yields rallied after job data from US reinforced expectations that US Federal Reserve might not cut interest rates as aggressively this year. Following job data US rate futures market has fully priced in pause in January meeting and has also priced in just one rate cut in 2025. The benchmark US Treasury 10-year yield jumped to 4.763%, highest levels since November 2023. While 2-year treasury yield, which typically moves in step with interest rate expectations rose to 4.383%, highest since July 2024.
- NYMEX Crude oil prices settled higher on Friday gaining more than 3% on supply concerns amid broadest US sanctions package targeting Russian oil and gas revenue .
- Copper prices ended on negative note losing almost 0.5% on strong dollar and risk aversion in the global markets
- Natural gas prices rallied as forecasts turn even colder for the coming weeks

Source: Bloomberg, Reuters, ICICI Direct Research

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	78423	0.41%	2689.8	0.84%
Silver	92506	0.87%	30.41	0.91%
Copper	826.0	0.12%	9091.5	0.14%
Aluminium	245.1	1.09%	2571.5	1.28%
Zinc	273.1	0.55%	2868.0	0.70%
Lead	178.1	0.94%	1975.0	2.46%
WTI Crude Oil	6516	2.81%	76.57	3.58%
US Nat Gas	342.7	5.12%	3.99	7.78%

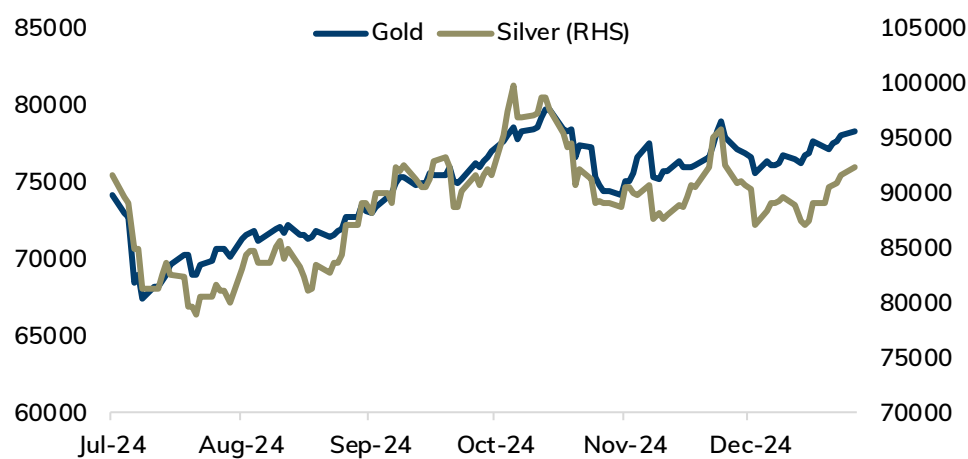
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th January)	86.16	0.15%	3391863	223011	698866	365103
EURINR (29th January)	88.82	0.07%	20313	-3816	5117	1725
GBPINR (29th January)	106.01	0.03%	24412	18	7679	-2033

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Silver Micro	February	Buy	91350-91400	92200	90900	Target Achieved

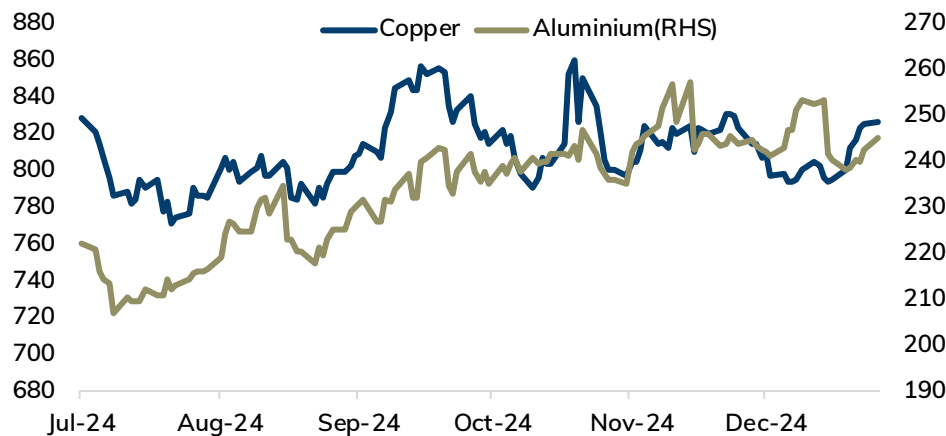
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to face stiff resistance near \$2700 level amid strong dollar and surge in US treasury yields following strong job data. Additionally, series of economic data from US signaled resilience in the economy, reinforcing expectations among investors that US Federal Reserve will hit a pause button to its rate cutting cycle from January meeting and will not see rate cut sooner than June. Additionally, market is pricing in now just 1 rate cut in 2025 compared to 2 rate cuts.
- Spot gold is likely to face stiff resistance near \$2700 level and slip back towards \$2650 level which is also 20-day EMA. MCX Gold February is expected face resistance near 78,800 level and correct back towards 77,700 level
- Spot Silver is likely to slip back towards \$30 level which is also 50-Day EMA as long as it trades below \$30.65 level. MCX Silver March is expected to slip towards 91,000 level as long as it trades below 93,300 level

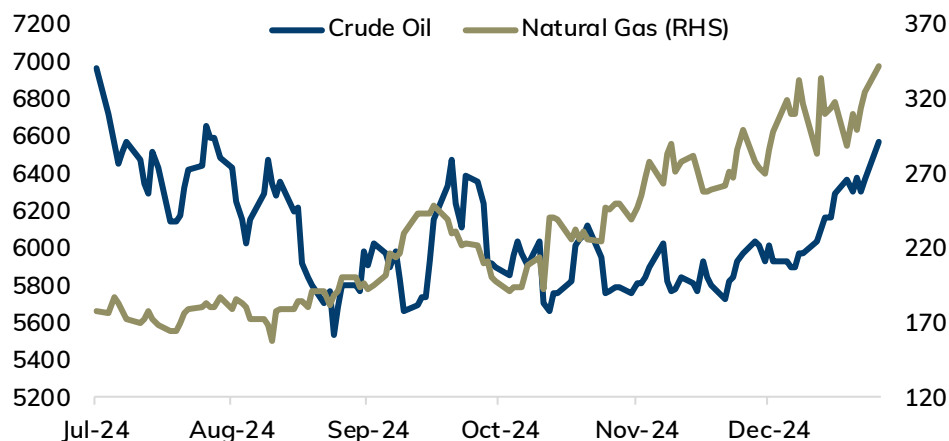
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade with negative bias on strong dollar and risk aversion in the global markets. Market sentiments are hurt as stronger than expected jobs data from US fueled the expectations that Federal Reserve may keep interest rates elevated for longer period, higher borrowing cost likely to hurt economic recovery. Additionally, investors fear that potential Donald Trump 2.0 tariffs will hurt global trade and even lead to manufacturing slowdown.
- MCX Copper January is expected to face stiff resistance near 832 level and correct back towards 818 level. A break below 818 level copper prices may slip further towards 810 level
- MCX Aluminum Jan is expected to move south towards 243 level as long as it stays below 247 level. MCX Zinc Jan is likely to slip back towards 270 level as long as it stays below 276 level

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to continue its rally and rise further towards \$79 level as severely cold weather in US and Europe will push demand for oil. Further, prices may rally on concerns that wider US sanctions on Russia will hurt oil exports severely, forcing China and India to source more oil from other regions. President Joe Biden's administration imposed fresh sanctions targeting Russian oil producers, tankers, intermediaries, traders and ports. Meanwhile, strong dollar and weak global market sentiments may cap sharp upside in prices.
- NYMEX Crude oil is likely to rise back towards \$79 level as long as it stays above \$76.0 level. MCX Crude oil is likely to rise further towards 6750 level as long as it stays above 6450 level.
- MCX Natural gas Jan is expected to rise further towards 355 level as long as it stays above 330 level. A break above 355 level it may further rise towards 362 level.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	77700	78061	78428	78789	79156
Silver	89592	91049	92346	93803	95100
Copper	820.0	823.0	826.4	829.4	832.8
Aluminium	241.7	243.4	244.7	246.3	247.6
Zinc	270.0	271.5	273.2	274.8	276.5
Lead	176.4	177.2	177.8	178.6	179.2
Crude Oil	6195	6355	6494	6654	6793
Nat Gas	309	326	336	353	363

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	85.95	86.06	86.12	86.22	86.28
US\$INR (Feb)	86.19	86.29	86.34	86.44	86.49
EURINR (Jan)	88.35	88.59	88.74	88.98	89.13
EURINR (Feb)	90.69	89.89	90.69	89.89	90.69
GBPINR (Jan)	105.51	105.76	105.94	106.19	106.37
GBPINR (Feb)	106.12	106.14	106.32	106.34	106.52
JPYINR (Jan)	54.22	54.32	54.50	54.60	54.78
JPYINR (Feb)	56.21	55.43	56.21	55.43	56.21

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	109.65	109.18	0.43%
US\$INR	85.97	85.86	0.13%
EURUSD	1.0244	1.0300	-0.54%
EURINR	88.56	88.49	0.07%
GBPUSD	1.2207	1.2308	-0.82%
GBPINR	105.77	105.46	0.30%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.772	6.765	0.01
US	4.759	4.689	0.07
Germany	2.595	2.567	0.03
UK	4.838	4.811	0.03
Japan	1.203	1.184	0.02

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
04-12-2024	9:00 PM	-5.1M	-1.6M
27-11-2024	9:00 PM	-1.8M	-1.3M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	264425	475	0.18%
Aluminium	621875	2600	0.42%
Zinc	214075	-2825	-1.30%
Lead	225725	-1875	-0.82%
Nickel	164904	594	0.36%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, January 13, 2025						
Tentative	China	New Loans		890B	580B	Medium
Tentative	China	Trade balance		730B	693B	Medium
4:00 PM	India	Inflation Rate y/y		5.48%	5.20%	High
Tuesday, January 14, 2025						
7:00 PM	US	PPI m/m		0.40%	0.40%	High
Wednesday, January 15, 2025						
12:30 PM	UK	CPI y/y		2.60%	2.60%	High
3:30 PM	Europe	Industrial Production m/m		0.3%	0.0%	Medium
7:00 PM	US	CPI y/y		2.9%	2.7%	High
7:00 PM	US	Empire State Manufacturing Index		-0.30	0.20	Medium
9:00 PM	US	Crude Oil Inventories		-	(1.0)M	Medium
Thursday, January 16, 2025						
12:30 PM	Europe	German Final CPI m/m		0.4%	0.4%	Medium
12:30 PM	UK	GDP m/m		0.20%	-0.10%	High
7:00 PM	US	Retail Sales m/m		0.6%	0.7%	High
7:00 PM	US	Unemployment Claims		210K	201K	High
7:00 PM	US	Philly Fed Manufacturing Index		-7	-16.4	Medium
Friday, January 17, 2025						
7:30 AM	China	GDP q/y		5.00%	4.60%	Medium
7:30 AM	China	Industrial Production y/y		5.40%	5.40%	Medium
7:30 AM	China	Retail Sales y/y		3.50%	3.00%	Medium
12:30 PM	UK	Retail Sales m/m		0.40%	0.20%	High
3:30 PM	Europe	Final CPI y/y		2.40%	2.40%	Medium
7:00 PM	US	Building Permits		1.46M	1.49M	Medium
7:45 PM	US	Industrial Production m/m		0.30%	-0.10%	Medium



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