

February 7, 2025

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	February	Sell	6260-6280	6120	6345	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 retreated from its record high of \$2882 on Thursday as most investors turned cautious ahead of key US payroll numbers. Meanwhile, weaker than expected weekly unemployment claims data has limited its downside. Losses in the precious metals were also limited after Bank of England cut interest rates by 25 bps.
- Bank of England has cut its official rates by 25 bps for the third time to 4.5%. Further, it is also expected to cut rates three more times in this year.
- US Dollar index edged higher on Thursday after US Q4 non-farm productivity rose 1.2%. Meanwhile, further gains in the dollar were restricted due to rise in weekly US jobless claims, a dovish factor for Fed policy. Also, strength in the yen weighed on the dollar as the yen rallied to a 1 month high.
- U.S. treasury yields recovered from its multi week lows as the bond market stabilized a bit amid trade truce. Meanwhile, market participants are looking ahead to Friday's nonfarm payrolls report for January, to get more clarity on rate path.
- NYMEX Crude oil prices pared all its gains and lost more than 0.50% after President Trump reiterated his commitment to lowering crude prices. He emphasized on higher oil production in US in the coming days. However prices bounced from its lows after the US tightened sanctions on Iran. Meanwhile, Saudi Arabia's state oil company sharply raised March crude prices due to rising demand from China and India and disruptions to Russian supply caused by US sanctions.
- Copper prices hits 4-month high on easing concerns over a global trade war. Further, positive PMI numbers from US and China also supported the metals to trade higher.
- US natural gas futures edged higher on Thursday, supported by a larger-than-expected storage draw. The EIA reported a 174 billion cubic feet (bcf) withdrawal from storage for the week ending January 31, above expectations of 168 bcf.

Source: Bloomberg, ICICI Direct Research

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	85262	0.82%	2856.3	-0.38%
Silver	95588	-0.39%	32.18	-0.42%
Copper	854.7	0.43%	9276.5	0.40%
Aluminium	256.0	0.39%	2619.0	0.11%
Zinc	269.4	0.77%	2818.0	1.37%
Lead	180.6	0.08%	1989.0	-0.70%
WTI Crude Oil	6210	-0.32%	70.61	-0.59%
US Nat Gas	295.8	3.54%	3.41	1.43%

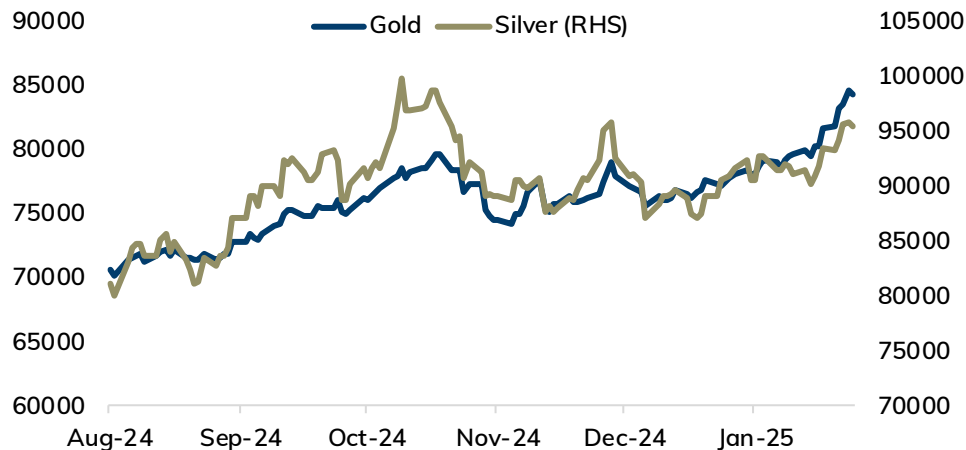
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (25th February)	87.69	0.15%	2662932	252201	604658	-27200
EURINR (25th February)	90.90	-0.34%	23476	2839	5201	-1286
GBPINR (25th February)	108.87	-0.79%	19775	-244	3038	-1300

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	February	Sell	6280-6290	6120	6350	Profit booked

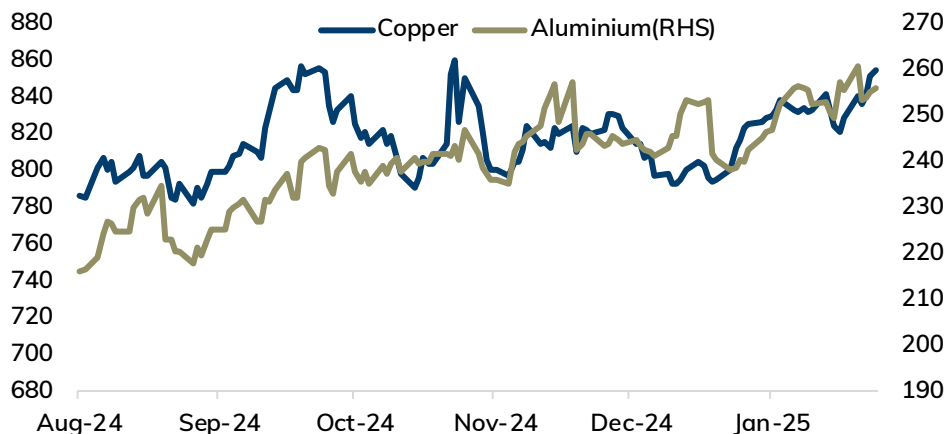
MCX Gold vs. Silver



Bullion Outlook

- Gold is expected to take a pause in its rally and correct towards \$2820 on expectation of an improved US Non-farm payroll numbers. A strong labor market and improved growth numbers from US would support the dollar to move higher and limit any major upside in the bullions. Further, hawkish comments for central bank member would also weigh on metal prices, as one of the Fed members indicated fewer rate cuts this year amid fiscal policy uncertainty. Meanwhile, safe haven buying due to trade war uncertainties is likely to provide support the yellow metal.
- MCX Gold April is expected to face the hurdle near ₹85,000 level and trade lower towards ₹83,800 level. Further, a move below ₹83,800 level prices may slip towards ₹83,000 level.
- MCX Silver March is expected to face the hurdle near multiple resistance zone at ₹96,600 and move lower towards ₹94,000. Only above ₹96,600 level it would turn bullish and open the doors towards ₹98,000.

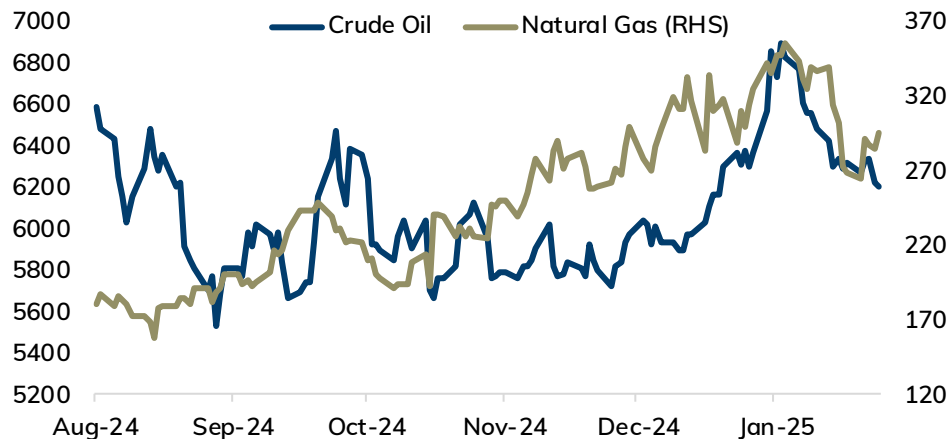
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are likely to take a pause after rallying to its highest level in 4-month. A stronger dollar and trade war uncertainties may limit the upside in the base metals. Meanwhile, tightness in supply from Chile would limit its downside. Furthermore, depleting inventory levels in LME and increasing prospects of fresh round of stimulus from China would help the metal to trade higher.
- MCX Copper February has been hovering near the multiple resistance zone at ₹ 860, which could act as key hurdle and weaken its towards ₹846. Only a sustained move above ₹860 it would bring fresh buying interest in the metal and push prices towards ₹867 level.
- MCX Aluminium Feb is expected to dip towards ₹253 level as long as it trades under ₹258 level. MCX Zinc Feb is likely to face the resistance of 20 day EMA ₹272 level and move lower towards ₹265 level. Only above, ₹272, it would open the doors towards ₹ 275.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to remain under pressure amid strong dollar and Trump's pledge to boost oil output. Further, easing geopolitical risk and sluggish demand growth from China would weigh on prices. Further, concerns over new trade war between US and China would increase demand uncertainty. Meanwhile, a declining crude exports from Russia and new sanction on Iran by the Trump administration may limit downside in oil prices.
- On the data front, fresh addition of OI in ATM and OTM call strikes indicates prices to face stiff resistance. MCX Crude oil Feb is likely to face the hurdle near 20 day EMA at ₹6350 and move lower towards ₹6050.
- MCX Natural gas Feb is expected to hold its ground and move towards ₹302 as long as it holds above ₹284. Depleting gas inventory and forecast of colder weather in US would help prices to trade firm.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	84367	84815	85228	85676	86089
Silver	93939	94763	95277	96101	96615
Copper	846.1	850.4	855.2	859.5	864.3
Aluminium	253.6	254.8	256.0	257.2	258.4
Zinc	266.5	267.9	269.5	271.0	272.6
Lead	179.8	180.2	180.8	181.2	181.7
Crude Oil	6131	6171	6239	6279	6347
Nat Gas	286	291	295	300	304

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	87.59	87.64	87.68	87.73	87.77
US\$INR (Mar)	87.71	87.79	87.84	87.92	87.97
EURINR (Feb)	90.57	90.73	90.99	91.16	91.41
EURINR (Mar)	93.41	92.49	93.41	92.49	93.41
GBPINR (Feb)	108.29	108.58	109.14	109.43	109.99
GBPINR (Mar)	107.85	108.71	107.85	108.71	107.85
JPYINR (Feb)	57.85	57.94	58.07	58.16	58.29
JPYINR (Mar)	59.21	58.57	59.21	58.57	59.21

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	107.69	107.58	0.10%
US\$INR	87.58	87.46	0.14%
EURUSD	1.0383	1.0403	-0.19%
EURINR	90.73	91.01	-0.31%
GBPUSD	1.2435	1.2505	-0.56%
GBPINR	108.82	109.48	-0.60%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.656	6.662	-0.01
US	4.434	4.418	0.02
Germany	2.379	2.366	0.01
UK	4.485	4.437	0.05
Japan	1.277	1.288	-0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
27-12-2024	9:00 PM	-4.2M	-0.7M
18-12-2024	9:00 PM	-0.9M	-1.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	249275	-3050	-1.21%
Aluminium	572200	-4500	-0.78%
Zinc	172475	-1675	-0.96%
Lead	221325	150	0.07%
Nickel	173562	978	0.57%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, February 03, 2025						
7:15 AM	China	Caixin Manufacturing PMI	50.10	50.60	50.50	Medium
3:30 PM	Europe	CPI Flash Estimate y/y	2.50%	2.4%	2.4%	Medium
All Day	All	OPEC-JMMC Meetings	-	-	-	High
8:30 PM	US	ISM Manufacturing PMI	50.90	49.30	49.30	High
Tuesday, February 04, 2025						
8:30 PM	US	JOLTS Job Openings	7.60M	7.88M	8.10M	High
8:30 PM	US	Factory Orders m/m	-0.90%	-0.70%	-0.40%	Medium
Wednesday, February 05, 2025						
6:45 PM	US	ADP Non-Farm Employment Change	183K	149k	122k	High
8:30 PM	US	ISM Services PMI	52.8	54.20	54.10	High
9:00 PM	US	Crude Oil Inventories	8.7M	2.4M	3.5M	High
Thursday, February 06, 2025						
5:30 PM	UK	Official Bank Rate	4.50%	4.50%	4.75%	High
5:30 PM	UK	BOE Monetary Policy	-	-	-	High
7:00 PM	US	Unemployment Claims	219K	214k	207k	Medium
9:00 PM	US	Natural Gas Storage	-174B	-167B	-321B	Medium
Friday, February 07, 2025						
10:00 AM	India	RBI Interest Rate Decision		6.3%	6.5%	High
7:00 PM	US	Average Hourly Earnings m/m		0.3%	0.3%	High
7:00 PM	US	Non-Farm Employment Change		154k	256k	High
7:00 PM	US	Unemployment Rate		4.10%	4.10%	High
8:30 PM	US	Prelim UoM Consumer Sentiment		71.4	71.1	Medium
8:30 PM	US	Prelim UoM Inflation Expectations		-	3.30%	Medium



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

Disclaimer



I/We, Jay Thakkar MBA (Finance), Raj Deepak Singh BE, MBA (Finance), Saif Mukadam BSc, MMS (Finance), Anup Sahu BSc, MBA (Finance) Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

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

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Disclaimer

Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.