

February 5, 2025

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	February	Sell	287-288	275	295	Intraday

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News and Developments

- Spot gold prices extended its gains and hit fresh record high at \$2845 on safe haven buying and weakness in the US dollar. Global trade war concerns has resurfaced after China retaliated with tariffs on US. Further, increasing gold reserves for the second consecutive month by China's central bank also fueled the rally in precious metals. Silver prices gained the most and hit 7-week highs as the dollar retreated from 3-week highs following weaker than expected economic numbers.
- US Dollar index pared all its gains amidst weaker than expected US economic numbers. US JOLT job opening numbers decreased to 7.6 million last month. US Dec factory orders fell -0.9% m/m, weaker than expectations of -0.8% m/m and the biggest decline in 6 months.
- US treasury yields fell on Tuesday amid weaker JOLT job opening numbers. Two-year yields, which are tied to the Federal Reserve's policy moves, fell 3 basis points to 4.22%.
- Crude oil prices witnessed a sharp rebound after hitting session low of \$70.65, as expectations grew that the US would tighten sanctions on Iran. Earlier price fell amid escalating US-China trade tensions. China retaliated against US tariffs with levies on American coal, LNG and crude oil. Further, OPEC's decision to increase output from April restricted prices to go beyond \$73.
- Copper prices gained for the 2nd day in a row despite trade worries. Prices found support from weaker dollar and improved manufacturing activity in US. Further, return of China from a long holiday break also provided some support to the base metals.
- Natural gas prices remained volatile amid China's retaliatory tariffs of 15% on imports of US LNG. But, improved demand from Europe and colder weather forecast in most parts of US has supported gas prices to trim most of its losses.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	83797	0.62%	2842.7	0.98%
Silver	95709	1.54%	32.17	1.80%
Copper	839.9	0.48%	9150.5	0.57%
Aluminium	253.9	0.18%	2637.5	0.55%
Zinc	267.9	0.26%	2807.5	0.30%
Lead	181.1	0.58%	1970.0	1.26%
WTI Crude Oil	6343	0.14%	72.70	-0.63%
US Nat Gas	287.5	-1.44%	3.25	-2.95%

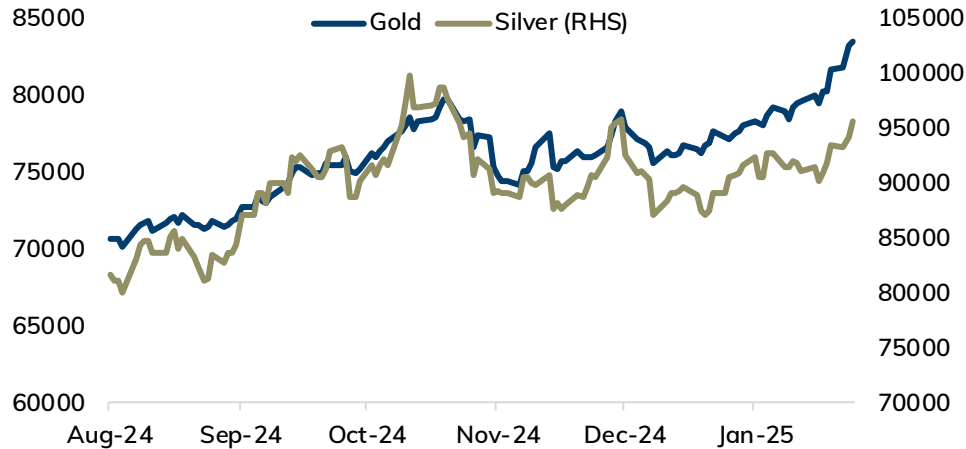
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (25th February)	87.24	-0.11%	2487571	-17056	288303	29208
EURINR (25th February)	90.16	0.64%	17374	-52	3029	-2911
GBPINR (25th February)	108.36	0.78%	17829	1184	3714	-2588

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	February	Sell	6360-6370	6200	6450	Profit booked

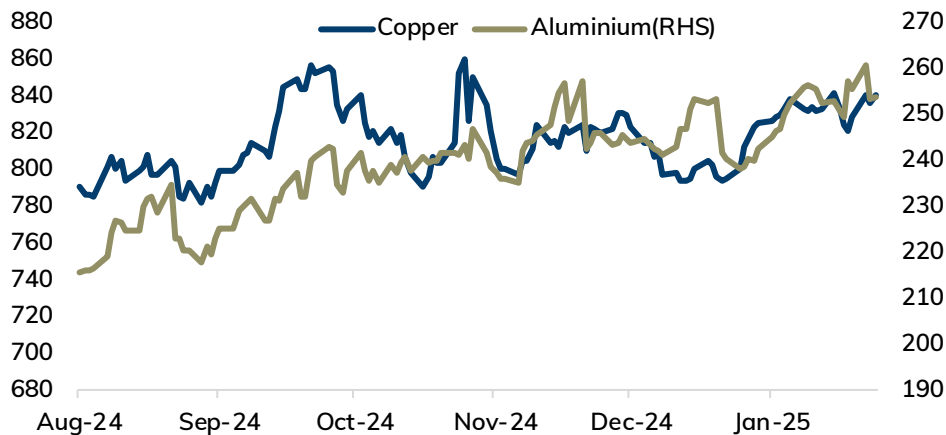
MCX Gold vs. Silver



Bullion Outlook

- Gold is likely to extend its gains amid safe haven buying and softness in the dollar. Ongoing trade war concerns would increase the demand for safe assets and support the bullions to make new highs. Further, forecast of less than expected rise in US job numbers would weigh on the dollar and strengthen the bullions to trade higher. Spot gold is expected to hold the support of \$2810 and move higher towards \$2865. Closure of OI in OTM call strikes indicates short covering which might push prices further higher.
- MCX Gold April is expected to march towards ₹84,500 level as long as it stays above ₹83,200 level. Only a move below ₹83,200 level prices may slip sharply towards ₹82,600 level
- MCX Silver March is expected to hold its gains and move towards ₹96,600. Above ₹96,600 level it would open the doors towards ₹98,000. On the downside immediate support exists near ₹94,000 level.

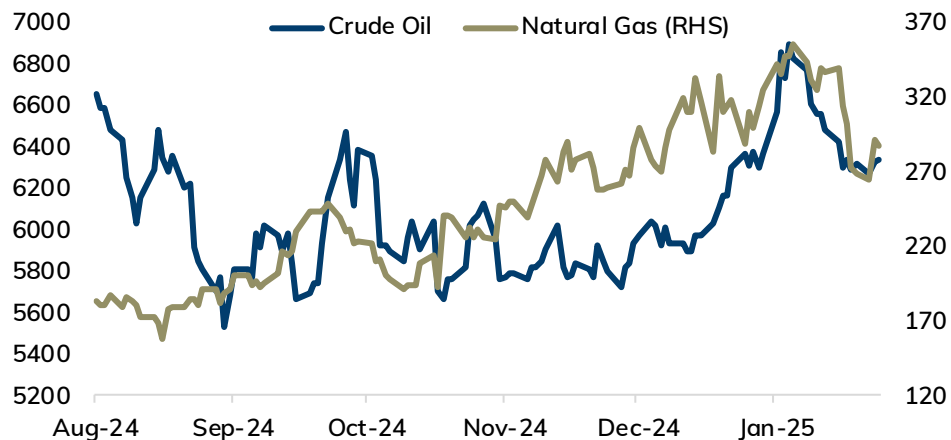
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to hold its gains and trade with positive bias on growing optimism over trade deal with the US. Further, softness in the dollar and improved US manufacturing activity would provide support to the base metals. Further, depleting inventory levels in LME and return of China after long holiday break would bring back bullish momentum in prices. Additionally, increasing scope of fresh round of stimulus from China would strengthen the demand outlook.
- MCX Copper February has formed a bullish engulfing pattern on the daily chart indicates prices to trade higher. For the day, it is likely to rise towards ₹845 level as long as it stays above ₹833 level. Only below ₹833 level copper prices may slip towards ₹826 level
- MCX Aluminium Feb is expected to hold its ground near ₹250 level and move towards ₹256 level. MCX Zinc Feb is likely to rise towards ₹270 level as long as it stays above ₹265 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- Crude oil is expected to find the floor near \$71 and rebound towards \$74 on growing concerns over sanction on Iran. Trump administration is likely to ramp up economic pressure on Iran which may hurt the global supply. Meanwhile, rise in API crude oil inventory levels and weaker than expected economic numbers from US would restrict any major upside in prices.
- On the data front, closure of OI in ATM and OTM call strikes indicates recovery in prices. Further, a strong put base near \$70 would act as key support in the near term. MCX Crude oil Feb is likely to consolidate in the broad range of ₹6180 and ₹ 6450 ahead of today's weekly inventory levels. Only close below 6180 it would turn weaker towards ₹ 6050.
- MCX Natural gas Feb is expected to face the hurdle near ₹295 and move lower towards ₹275. Mild US weather forecast would likely to keep a check on gas prices.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	82580	83188	83508	84116	84436
Silver	93167	94438	95155	96426	97143
Copper	832.8	836.3	838.9	842.4	844.9
Aluminium	250.3	252.1	253.5	255.3	256.8
Zinc	264.7	266.3	267.6	269.1	270.4
Lead	180.0	180.6	180.9	181.4	181.7
Crude Oil	6086	6215	6304	6433	6522
Nat Gas	270	279	285	294	301

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	87.11	87.18	87.24	87.30	87.36
US\$INR (Mar)	87.45	87.64	87.55	87.74	87.65
EURINR (Feb)	89.59	89.87	90.13	90.41	90.67
EURINR (Mar)	93.14	91.96	93.14	91.96	93.14
GBPINR (Feb)	107.68	108.02	108.25	108.59	108.83
GBPINR (Mar)	107.65	108.30	107.65	108.30	107.65
JPYINR (Feb)	56.58	56.45	56.73	56.60	56.88
JPYINR (Mar)	58.76	57.68	58.76	57.68	58.76

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	107.96	108.99	-0.95%
US\$INR	87.08	87.19	-0.13%
EURUSD	1.0379	1.0344	0.34%
EURINR	90.03	89.19	0.94%
GBPUSD	1.2480	1.2450	0.24%
GBPINR	108.19	107.18	0.94%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.673	6.667	0.01
US	4.511	4.555	-0.04
Germany	2.396	2.385	0.01
UK	4.522	4.487	0.04
Japan	1.279	1.252	0.03

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	254950	-175	-0.07%
Aluminium	581200	-6000	-1.02%
Zinc	176425	-2850	-1.59%
Lead	220875	250	0.11%
Nickel	172584	84	0.05%

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		149k	122k	High
8:30 PM	US	ISM Services PMI		54.20	54.10	High
9:00 PM	US	Crude Oil Inventories			3.5M	High
Thursday, February 06, 2025						
5:30 PM	UK	Official Bank Rate		4.50%	4.75%	High
5:30 PM	UK	BOE Monetary Policy		-	-	High
7:00 PM	US	Unemployment Claims		214k	207k	Medium
9:00 PM	US	Natural Gas Storage			(-321)B	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



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