

March 5, 2025

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	March	Sell	864-865	858	868	Intraday

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News and Developments

- Spot gold prices ended on positive note gaining 0.87%, while Silver prices gained by 0.94% yesterday on weakness in dollar. Further, safe haven demand increased following escalating trade conflicts after US President Donald Trump imposed new tariffs on its major trading partners. Canada and China immediately retaliated with tariffs on certain US imports. Gains in Silver prices were limited on concerns that global trade war would hurt economic growth and dent demand for industrial metals
- US Dollar extended its losses and ended on the negative note losing almost 1% on concerns over slowdown in economic growth and impact of trade war on US economy. Further, strength in Euro undercut the dollar. Euro gained after Germany's conservatives and Social Democrats announced proposals to set up a 500 billion euro fund for infrastructure.
- US 10-Year treasury yields reversed from its earlier losses and moved north as political parties in Germany reached a deal to overhaul borrowing rules and create a new infrastructure fund. However, further upside was capped on concerns that US trade policies will have negative impact on US economic growth boosting expectations for Federal Reserve to cut rates. The benchmark US Treasury 10-year yield rose to 4.242%. While 2-year treasury yield, which typically moves in step with interest rate expectations increased to 3.984%.
- Crude oil prices settled lower yesterday losing more than 0.5% on weak global market sentiments. Further, oil prices slipped on news of US tariffs on its major trading partners and retaliatory tariffs from China and Canada. Meanwhile, further downside was cushioned as API figures showed that US crude oil stocks fell by 1.46 million barrels in the week ended February 28
- Copper prices ended on the negative note losing 0.19% yesterday on risk aversion in the global markets following US slapping Canada, Mexico and China with steep tariffs
- Natural Gas prices rallied on forecast for cooler temperatures in the western half of the US and also, the beginning of US tariffs of 10% on Canadian imports

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	86026	0.75%	2917.9	0.87%
Silver	96256	0.21%	31.98	0.94%
Copper	862.1	-0.46%	9343.0	-0.81%
Aluminium	258.6	0.00%	2616.5	0.21%
Zinc	268.4	-0.61%	2810.5	-1.14%
Lead	180.4	-0.11%	2009.5	0.85%
WTI Crude Oil	5960	-0.48%	68.26	-0.16%
US Nat Gas	387.3	9.10%	4.35	5.53%

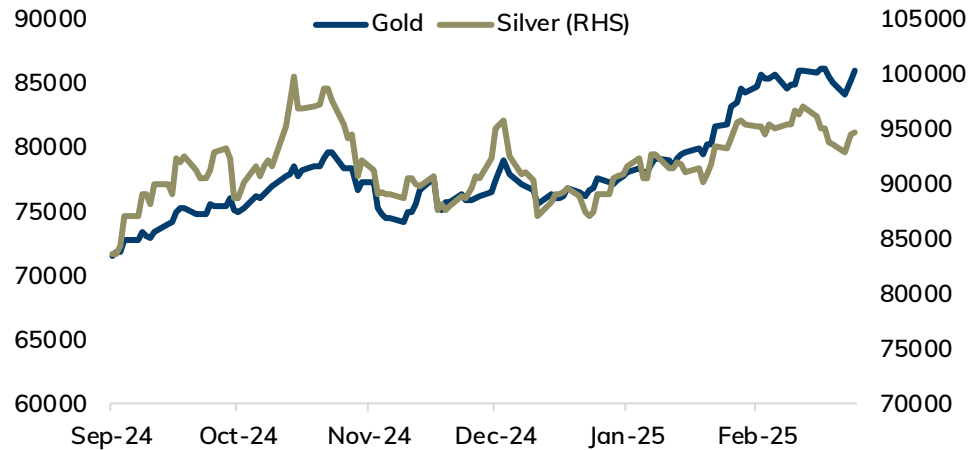
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th March)	87.43	-0.05%	1751807	102277	368559	-147210
EURINR (26th March)	91.98	0.58%	22227	2193	3431	-202
GBPINR (26th March)	111.11	0.47%	9422	1617	2628	-3038

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	March	Sell	6020-6030	5850	6120	Not Initiated

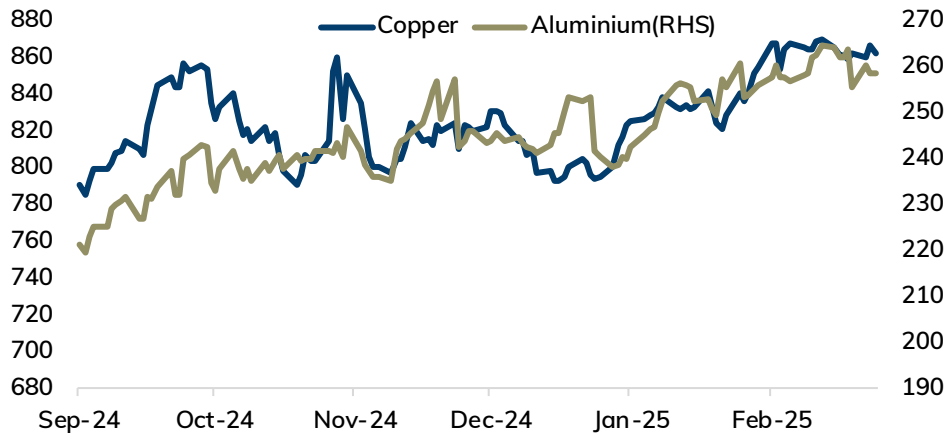
MCX Gold vs. Silver



Bullion Outlook

- Gold is expected to trade with positive bias amid weakness in dollar. Dollar is showing weakness on fear that US economy is already showing slowdown and trade war with major trading partners will have adverse effect on economic growth, prompting US Federal Reserve to lower interest rates. Market may start anticipating earlier rate cut by US Fed if data continues to show weakness in labor market and economic instability. Additionally, demand for safe haven would go up on escalating trade tension between US and its major trading partners. Moreover, investors will keep an close eye on slew of economic data from US. Weaker than expected economic data would support gold prices to move higher.
- Spot gold is likely to hold the support near \$2880 level and rise towards \$2940 level. MCX Gold April is expected to rise towards ₹86,400 level as long as it stays above ₹85,300 level.
- MCX Silver May is expected to face stiff resistance near ₹96,700 level and slip back towards ₹95,400 level.

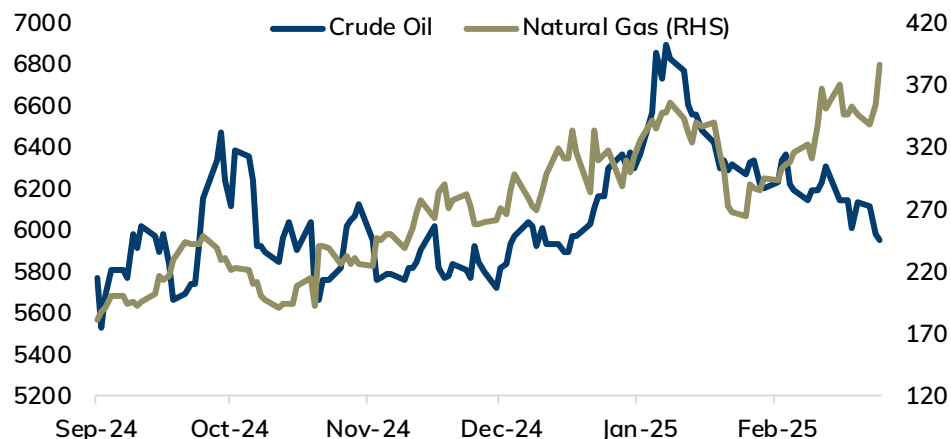
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with negative bias amid weak global market sentiments following escalating trade tension between US and its major trading partners. US 25% tariff on Canada and Mexico took effect yesterday along with doubling of duties on Chinese goods to 20%. In response China imposed additional tariffs of 10-15% on certain imports from US and Canada retaliated with 25% tariffs on C\$30 billion worth of US imports while Mexico vowed to respond likewise. Further, prices may dip on concerns that tit for tat approach increases the risk of global trade war, which may have adverse effect on economic growth denting demand for industrial metal.
- MCX Copper March is expected to slip towards ₹857 level as long as it stays below ₹868 level. A break below ₹857 level copper prices may slip further towards ₹852 level
- MCX Aluminium March is expected to correct further till ₹256 level as long as it trades below ₹260 level. MCX Zinc March is likely to slip further towards ₹265 level as long as it stays below ₹270 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade with negative bias and slip further towards \$66.50 level on risk aversion in the global markets. Further, prices may slip on worries that US trade policies would trigger global trade war hurting global economic growth and oil demand. Additionally, OPEC+ is likely to proceed with a planned April output increase. Moreover, risk premium is fading as US President Donald Trump's administration and Ukraine plan to sign a minerals deal. Furthermore, market anticipates that US may lift some sanctions on Russia which could bring more Russian oil to market. Meanwhile, all eyes will be on official government inventory report
- MCX Crude oil March is likely to face stiff resistance near ₹6050 level and slip further towards ₹5850 level. A break below ₹5850 prices may dip further towards ₹5800 level.
- MCX Natural gas March is expected to hold the support near ₹375 level and rise back towards ₹395 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	84903	85464	85897	86458	86891
Silver	94863	95560	96127	96824	97391
Copper	857.1	859.6	862.6	865.1	868.2
Aluminium	257.1	257.8	258.3	259.0	259.5
Zinc	265.8	267.1	268.6	269.9	271.3
Lead	179.6	180.0	180.3	180.7	181.0
Crude Oil	5787	5873	5928	6014	6069
Nat Gas	336	362	380	405	423

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	87.28	87.35	87.46	87.53	87.63
US\$INR (Apr)	87.58	87.62	87.69	87.74	87.81
EURINR (Mar)	91.23	91.61	91.88	92.25	92.52
EURINR (Apr)	92.89	92.80	92.89	92.80	92.89
GBPINR (Mar)	110.57	110.84	111.07	111.34	111.57
GBPINR (Apr)	108.71	110.36	108.71	110.36	108.71
JPYINR (Mar)	58.54	58.72	58.86	59.04	59.18
JPYINR (Apr)	58.34	58.77	58.34	58.77	58.34

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.74	106.75	-0.94%
US\$INR	87.27	87.37	-0.11%
EURUSD	1.0626	1.0487	1.33%
EURINR	91.74	91.11	0.69%
GBPUSD	1.2795	1.2701	0.74%
GBPINR	111.06	110.33	0.65%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.745	6.738	0.01
US	4.244	4.155	0.09
Germany	2.495	2.491	0.00
UK	4.534	4.555	-0.02
Japan	1.425	1.414	0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
26-02-2025	9:00 PM	-2.3M	2.5M
20-02-2025	9:00 PM	4.6M	3.2M
12-02-2025	9:30 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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	261000	-50	-0.02%
Aluminium	524500	7350	1.42%
Zinc	161950	-1650	-1.01%
Lead	211475	-1175	-0.55%
Nickel	195360	198	0.10%

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, March 03, 2025						
7:15 AM	China	Caixin Manufacturing PMI	50.8	50.4	50.1	Medium
3:30 PM	Europe	CPI Flash Estimate y/y	2.40%	2.30%	2.50%	Medium
8:30 PM	US	ISM Manufacturing PMI	50.3	50.6	50.9	High
Tuesday, March 04, 2025						
7:45 PM	Japan	BOJ Gov Ueda Speaks	-	-	-	High
Wednesday, March 05, 2025						
7:15 AM	China	Caixin Services PMI	-	50.8	51	Medium
6:45 PM	US	ADP Non-Farm Employment Change	-	144K	183K	High
8:30 PM	US	ISM Services PMI	-	53	52.8	High
9:00 PM	US	Crude Oil Inventories	-	-	-2.3M	Medium
Thursday, March 06, 2025						
3:00 PM	UK	Construction PMI	-	49.8	48.1	Medium
All Day	Europe	Euro Summit	-	-	-	High
6:45 PM	Europe	Main Refinancing Rate	-	2.65%	2.90%	High
7:00 PM	US	Unemployment Claims	-	236K	242K	High
9:00 PM	US	Natural Gas Storage	-	-	-261B	Medium
Friday, March 07, 2025						
Tentative	China	USD-Denominated Trade Balance	-	-	104.8B	Medium
12:30 PM	Europe	German Factory Orders m/m	-	-2.40%	6.90%	Medium
7:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.50%	High
7:00 PM	US	Non-Farm Employment Change	-	156K	143K	High
7:00 PM	US	Unemployment Rate	-	4%	4%	High
11:00 PM	US	Fed Chair Powell Speaks	-	-	-	High



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