

May 5, 2025

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	May	Buy	838.50-839	850	835	Intraday

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News and Developments

- Spot gold prices managed to recover its losses on Friday amid retreat in the dollar, but strong US treasury yields restricted its upside. Bullion prices bounced back from its day's lows despite a strong US jobs report. But, a drop in average hourly earnings indicated cooling wage inflation.
- Spot silver also failed to hold its gains and lost the most on last trading day of the week to settle below \$32.00 per ounce. Last week silver lost 3.27%, where as gold lost 2.35%.
- US Dollar index edged lower and settled just above 100 mark on reduced safe haven demand as growing optimism over US-China trade deal improved risk sentiments. The dollar also weighed down by drop in average hourly earnings, a dovish factor for the Fed policy. But better than expected US job growth numbers and sharp jump in factory orders data turned out to be hawkish factors for the Fed policy and supported the dollar to trim its earlier losses.
- US Apr nonfarm payrolls rose +177,000, stronger than expectations of +138,000, although Mar nonfarm payrolls were revised lower by 43,000 jobs to +185,000 from the previously reported +228,000. The Apr unemployment rate was unchanged at 4.2%, right on expectations. US Apr average hourly earnings rose +0.2% m/m and +3.8% y/y, slightly weaker than expectations of +0.3% m/m and +3.9% y/y.
- US 10-year yields settled at 4.30%, where as the 2-year treasury yield, which typically moves in step with interest rate expectations jumped to 3.82%.
- NYMEX crude oil prices lost more than 7% last week, as investors turned cautious ahead of OPEC+'s meeting on weekend. OPEC+ has added more 41100 barrels per day of new supply from June onwards.
- Copper prices regained its strength and rallied more than 1% amid growing bets of trade deal between US and China. Further tight supplies and improved risk sentiments helped its to recover its weekly losses.
- NYMEX natural gas rose over 4% amid drop in it the daily output and improved demand.

Source: Bloomberg, ICICI Direct Research

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	92637	0.32%	3240.5	0.04%
Silver	94064	-0.70%	32.01	-1.24%
Copper	844.4	1.23%	9365.5	1.73%
Aluminium	234.1	0.60%	2431.5	0.64%
Zinc	246.9	0.28%	2607.5	1.16%
Lead	177.7	-0.42%	1934.5	-0.87%
WTI Crude Oil	4940	-0.64%	58.29	-1.60%
US Nat Gas	306.6	5.51%	3.63	4.34%

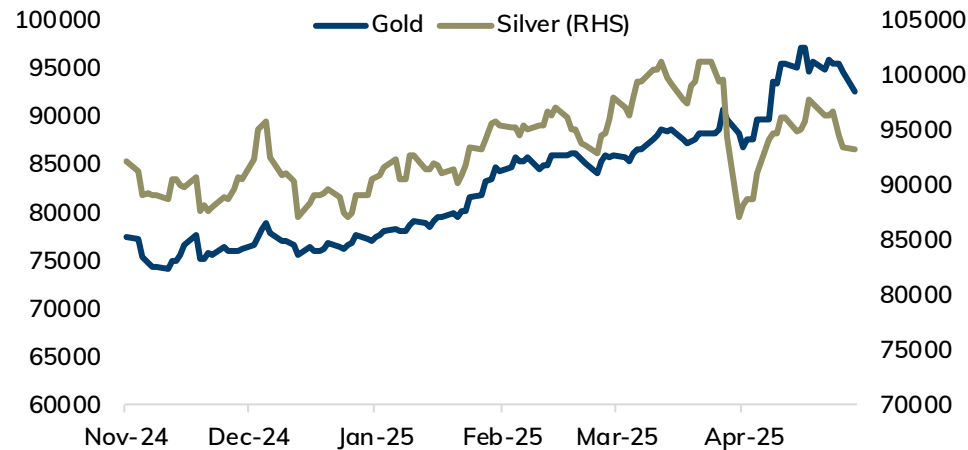
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th May)	84.59	-0.11%	1036539	-43856	486649	84488
EURINR (28th May)	95.95	-0.37%	26006	-989	6258	2827
GBPINR (28th May)	112.44	-0.70%	16978	628	5138	-9525

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	May	Buy	4900-4920	5150	4800	Profit Booked

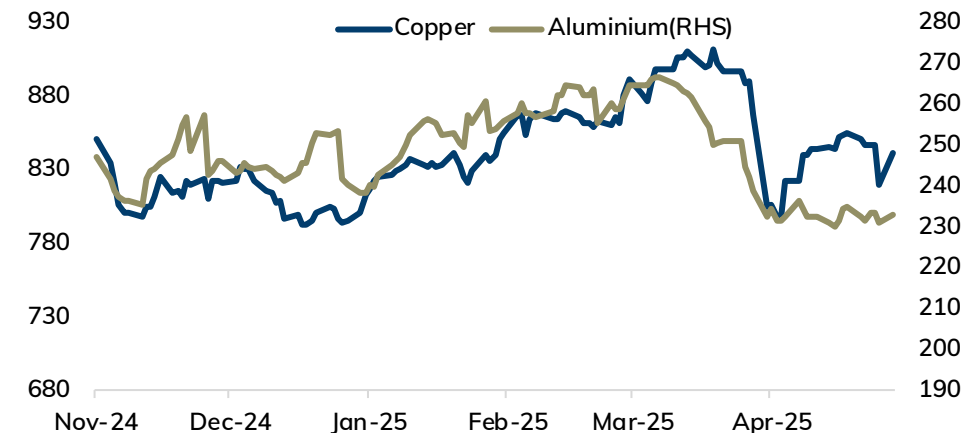
MCX Gold vs. Silver



Bullion Outlook

- Gold is expected to move in tight range ahead of this week's FOMC policy. On the upside \$3300 would act as immediate resistance, whereas \$3220 would hold key support for the day. A drop in net longs again last week signaled profit booking in the metal. Meanwhile, no specific timeline on US-China trade deal would provide support to the yellow metal. Additionally, weakness in the dollar would help the metal to hold its ground. Meanwhile, investors will eye on key economic numbers from US to get more clarity on timing of US Fed rate cut.
- On the data front unwinding of OI in ATM calls indicates a recovery in prices. But, higher OI concentration at 3300 OTM call strike would act as key hurdle for now. On the downside, a higher OI base at 3200 put strike indicates prices to find support. For the day, MCX Gold June is expected to rise towards immediate resistance at ₹93,500. A move above ₹93,500, would open the doors towards ₹94,000 level. On the downside, ₹92,200, holds key support. MCX Silver June is expected to hold the support near ₹93,200 and rebound towards ₹96,000 level.

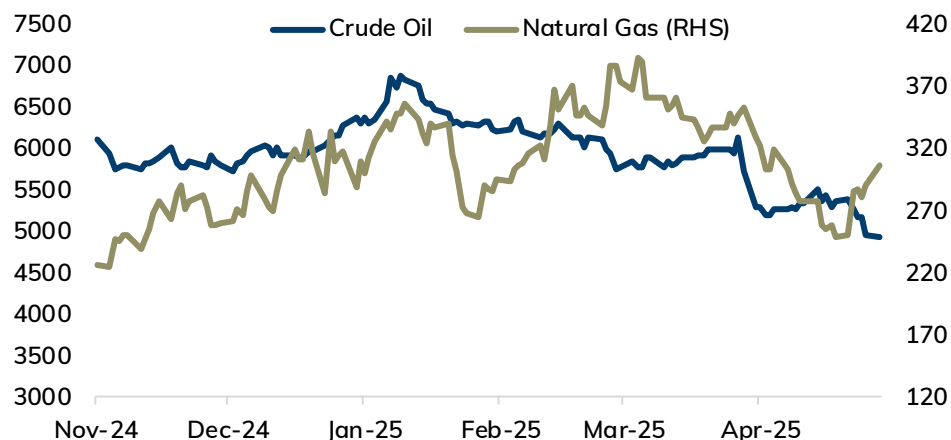
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices to hold its ground and move in a positive territory on supply concerns and softness in the dollar. Disruption from two biggest mines in Peru would provide support to prices. Further, a rise in copper import premiums which hit highest in six months indicates tightness in the physical market. The Yangshan premium jumped from a low of \$35 a ton in late February to \$94 this week, reflecting sharp demand in China as warehouse stocks noted a sharp drawdown. Moreover, scope of fresh round of stimulus from China to counter the tariffs would support prices to stay higher.
- MCX Copper May is expected to hold the support near ₹835 and move higher towards ₹852. Above ₹852 it would open the doors towards ₹860.
- MCX Aluminium May is likely to consolidate in the band of ₹230 and ₹237 level. Only below ₹230 level, it would turn bearish towards ₹226. MCX Zinc May is hovering near key support at ₹244. If holds then it would rebound towards ₹250 level. On the other hand, a move below would open the doors towards ₹240.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade lower following the OPEC+'s decision to increase output from June onwards. Its June increase will take the total combined hike for April, May and June to 960,000 bpd, representing more than 40% unwinding of the 2.2 million bpd cut. Meanwhile, growing bets of trade negotiation between US and China and improved risk sentiments might limit its losses.
- On the data front, unwinding of OI in ATM and OTM put indicates more downside towards \$55 level. On the call side, addition of OI has been observed near 60 strike, which could act as key resistance for now. MCX Crude oil May is likely to hit the initial support ₹4800. A move below would open the doors towards ₹4650 level. On the upside ₹5050 would act as key hurdle.
- MCX Natural gas May is expected to rise towards ₹314, as long as it holds above ₹295. Only a move above ₹314 it would turn bullish and rise towards ₹324. A drop in US gas production and improved export numbers would provide support to price.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	91744	92190	92817	93263	93890
Silver	92807	93435	94433	95061	96059
Copper	834.1	839.2	843.1	848.2	852.1
Aluminium	230.8	232.4	233.6	235.3	236.5
Zinc	244.4	245.6	246.8	248.0	249.2
Lead	176.2	176.9	178.0	178.7	179.8
Crude Oil	4812	4876	4959	5023	5106
Nat Gas	281	294	301	314	321

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.60	84.09	84.40	84.89	85.20
US\$INR (June)	83.69	84.22	84.53	85.06	85.37
EURINR (May)	94.63	95.29	95.76	96.42	96.90
EURINR (June)	94.05	95.24	94.05	95.24	94.05
GBPINR (May)	111.11	111.78	112.47	113.13	113.83
GBPINR (June)	109.74	111.21	109.74	111.21	109.74
JPYINR (May)	57.67	58.33	58.67	59.33	59.67
JPYINR (June)	57.23	58.12	57.23	58.12	57.23

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.03	99.47	0.57%
US\$INR	84.55	84.49	0.06%
EURUSD	1.1297	1.1328	-0.27%
EURINR	95.96	96.01	-0.06%
GBPUSD	1.3272	1.3329	-0.43%
GBPINR	112.53	112.89	-0.32%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.354	6.356	0.00
US	4.308	4.162	0.15
Germany	2.533	2.444	0.09
UK	4.508	4.441	0.07
Japan	1.264	1.317	-0.05

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
23-04-2025	8:00 PM	0.2M	1.6M
16-04-2025	8:00 PM	0.5M	0.4M
09-04-2025	8:00 PM	2.6M	2.2M
02-04-2025	8:00 PM	6.2M	-0.4M
26-03-2025	8:00 PM	-3.3M	1.5M
19-03-2025	8:00 PM	1.7M	0.8M
12-03-2025	8:00 PM	1.4M	2.1M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	197300	-400	-0.20%
Aluminium	411575	-2000	-0.48%
Zinc	173800	-100	-0.06%
Lead	264125	-100	-0.04%
Nickel	200418	-1512	-0.75%

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, May 5, 2025						
7:30 PM	US	ISM Services PMI	-	50.2	50.8	High
Tuesday, May 6, 2025						
7:15 AM	China	Caixin Services PMI	-	51.7	51.9	Medium
2:30 PM	Europe	PPI m/m	-	-1.40%	0.20%	Medium
6:00 PM	US	Trade Balance	-	-124.7B	-122.7B	Medium
Wednesday, May 7, 2025						
11:30 AM	Europe	German Factory Orders m/m	-	1.10%	0.00%	Medium
2:00 PM	UK	Construction PMI	-	46	46.4	Medium
2:30 PM	Europe	Retail Sales m/m	-	-0.10%	0.30%	Medium
8:00 PM	US	Crude Oil Inventories	-	-	-2.7M	Medium
11:30 PM	US	Federal Funds Rate	-	4.50%	4.50%	High
Thursday, May 8, 2025						
11:30 AM	Europe	German Industrial Production m/m	-	0.90%	-1.30%	Medium
4:30 PM	UK	Official Bank Rate	-	4.25%	4.50%	High
6:00 PM	US	Unemployment Claims	-	232K	241K	High
8:00 PM	US	Natural Gas Storage	-	-	107B	Medium
Friday, May 9, 2025						
Tentative	China	USD-Denominated Trade Balance	-	94.3B	102.6B	Medium
2:10 PM	UK	BOE Gov Bailey Speaks	-	-	-	High



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