

January 3, 2025

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	January	Buy	6240-6250	6380	6170	Intraday

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## News and Developments

- Spot Gold prices gained more than 1% on Thursday and hit its 2-week highs amid safe haven buying. Prices gained despite of strong dollar and rise in US treasury yields.
- Silver prices gained more than 2% on growing prospects of demand improvement. Improved manufacturing activity in US and steady growth in China has supported silver price to rise above \$29.30.
- The US dollar index hit its 2-year highs on Thursday after economic numbers pointed a strong US labor market. Last week's jobless claims dropped to an eight month low of 211,000, below estimates of 222,000. Better than expected economic numbers has raised the hopes that US economy will outpace its peers.
- US 10-year treasury yields regained its strength and rose towards 4.60% amid recovery in the manufacturing sector. Growing bets of no rate cut in the first quarter of 2025 supported the yields to stay higher.
- NYMEX Crude oil rallied for the 4<sup>th</sup> day after the US crude oil stocks fell for the 6<sup>th</sup> week in row indicating pickup in demand. Crude inventories fell by 1.178 million barrels, less than market expectations for a 2.75 million-barrel draw. On the other hand, gasoline stocks rose by 7.717 million barrels, compared with expectations for a 0.7 million-barrel build. Net US crude imports rose by 323 thousand barrels per day
- Base metal prices traded mixed as strong dollar weighed on prices. Further, weakness in Chinese Caixin manufacturing PMI numbers also weighed on the metals. Meanwhile, growing bets of proactive policy measures from China limited the downside in metal prices.
- NYMEX Natural gas prices regained its strength and gained almost 3% yesterday amid improved LNG exports from US. Further forecast of colder weather and higher heating demand over the next two weeks supported prices to stay higher.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	77717	1.07%	2657.90	1.27%
Silver	89173	1.82%	29.57	2.31%
Copper	794.9	0.13%	8802.50	0.39%
Aluminium	240.3	-0.58%	2529.00	-0.88%
Zinc	276.2	-1.23%	2927.00	-1.73%
Lead	177.3	-0.17%	1934.50	-0.90%
WTI Crude Oil	6299	2.07%	73.13	1.97%
US Nat Gas	318.6	1.08%	3.66	0.74%

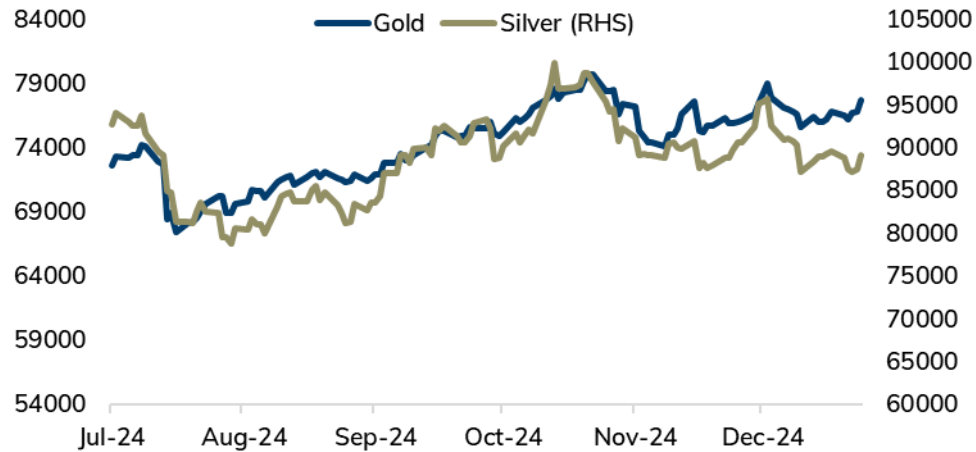
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th Jan)	85.94	0.11%	3224643	143199	661176	460925
EURINR (29th Jan)	88.88	-0.25%	15434	-2231	3900	-49
GBPINR (29th Jan)	107.01	-0.52%	12214	-1636	3404	2388

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	January	Buy	6130-6140	6300	6050	Not Initiated

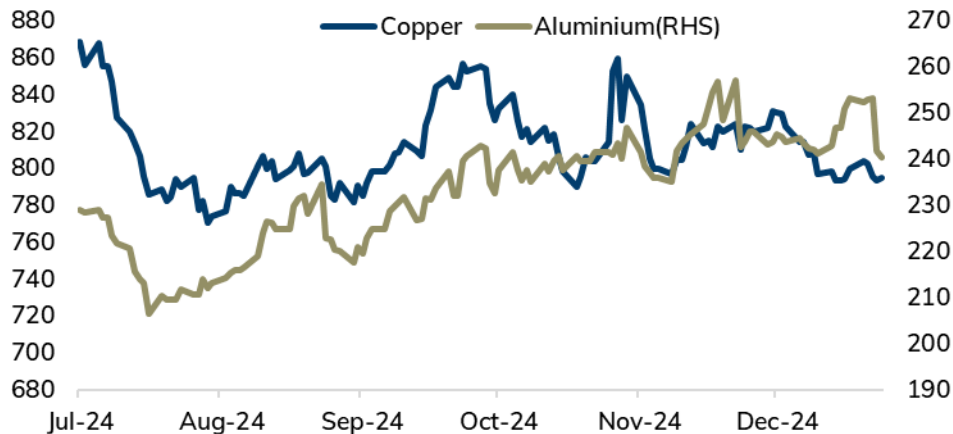
## MCX Gold vs. Silver



## Bullion Outlook

- Spot Gold is expected to hold its gains and move towards \$2675, amid increasing safe haven demand. Prices would find support on geopolitical uncertainty and Trump's tariff concerns. Further, increasing prospects of rate cut by PBOC and ECB would also help the yellow metal to hold its gains. On the other hand strong dollar and higher US treasury yield might check its upside.
- Spot gold has moved above the 20 and 50 day EMA's suggesting bullish bias. On the upside, \$2700 would act as major hurdle. MCX Gold February is expected to move towards 78,200, as long as it trades above 77,200.
- Spot silver witnessed a sharp rebound from its 50 week EMA at \$28.80 and is expected to move towards the key resistance near \$30. MCX Silver March is expected to hold the support near 88,000 and rise towards initial hurdle at 90400 (50 DEMA).

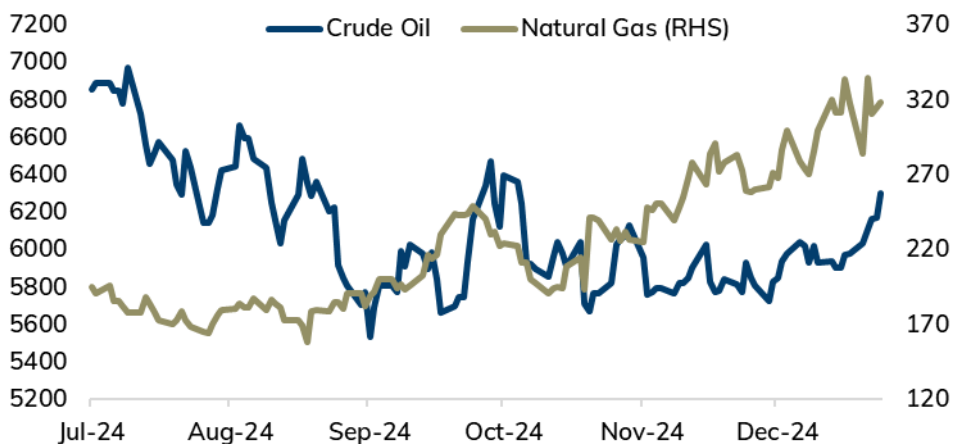
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to consolidate near its key supports amid growing bets of more stimulus measures from China to support the economy. Further, increasing prospects of lower rates by PBOC in 2025 would bring a recovery in metals prices. PBOC in its latest announcement said it was likely to cut the rates from current levels to 1.5% in the year 2025.
- MCX Copper January is expected to find the floor near 789 and rebound towards 800. Above 800, it would open the doors towards 805. On the contrary, move below 788 it would turn weaker towards 784.
- Aluminum is expected to find the floor near 240 and move towards 244,. MCX Zinc is expected to face the hurdle near 280 and dip towards 274.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is likely to extend its rally towards \$75 on China optimism. Further, improved demand from US and supply concerns amid heightened tension between Russia and Ukraine would also provide support to oil prices. Meanwhile, a stronger dollar could restrict its upside.
- On the data front, closer of OI in ATM and OTM call strike indicates more upside in prices. In NYMEX, next major hurdle is seen near \$75 as higher OI concentration on the call side observed at 75 call strike. At the same time OI concentration at 70 strike put has increased, indicating strong support. MCX Crude oil January is likely to hold the support near 6180 and move towards 6400.
- MCX Natural gas January future is expected to find its ground near 305 and rebound towards 328. A move above 328 would bring fresh buying interest and push price towards 340. Prices are likely to trade with positive bias on forecast of sharp drawdown in inventories. Further, increased LNG export data and forecast of cooler weather would support prices.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	76652	77185	77497	78030	78342
Silver	87704	88439	88884	89619	90064
Copper	787.3	791.1	795.5	799.3	803.7
Aluminium	237.5	238.9	241.2	242.6	244.9
Zinc	271.5	273.8	278.1	280.5	284.8
Lead	176.2	176.8	177.6	178.1	178.9
Crude Oil	6100	6199	6265	6364	6430
Nat Gas	295	307	317	329	339

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	85.77	85.85	85.93	86.01	86.09
US\$INR (Feb)	85.96	86.07	86.15	86.26	86.34
EURINR (Jan)	88.58	88.73	89.00	89.15	89.42
EURINR (Feb)	90.79	90.09	90.79	90.09	90.79
GBPINR (Jan)	106.32	106.67	107.24	107.59	108.16
GBPINR (Feb)	108.03	107.77	108.03	107.77	108.03
JPYINR (Jan)	54.61	54.69	54.83	54.91	55.05
JPYINR (Feb)	56.35	55.69	56.35	55.69	56.35

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	109.39	108.49	0.84%
US\$INR	85.76	85.65	0.12%
EURUSD	1.0265	1.0356	-0.88%
EURINR	88.77	88.70	0.08%
GBPUSD	1.2380	1.2517	-1.09%
GBPINR	107.05	107.13	-0.08%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.789	6.781	0.00
US	4.559	4.569	0.00
Germany	2.379	2.367	0.01
UK	4.595	4.568	0.01
Japan	1.101	1.101	0.00

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
20-11-2024	9:00 PM	0.5M	-0.1M
14-11-2024	9:00 PM	2.1M	0.4M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	271350	-50	-0.02%
Aluminium	634650	-4500	-0.70%
Zinc	234100	-800	-0.34%
Lead	242200	-1525	-0.63%
Nickel	162474	1938	1.21%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, December 30, 2024						
1:30 PM	Europe	Spanish Flash CPI y/y	2.80%	2.60%	2.40%	Medium
8:15 PM	US	Chicago PMI	36.9	42.7	40.2	Medium
8:30 PM	US	Pending Home Sales m/m	2.20%	0.90%	2%	Medium
Tuesday, December 31, 2024						
7:00 AM	China	Manufacturing PMI	50.1	50.3	50.3	High
7:00 AM	China	Non-Manufacturing PMI	52.2	50.2	50	High
7:30 PM	US	S&P/CS Composite-20 HPI y/y	4.20%	4.10%	4.60%	Medium
Wednesday, January 01, 2025						
All Day	Europe	German Bank Holiday	-	-	-	-
All Day	UK	Bank Holiday	-	-	-	-
All Day	US	Bank Holiday	-	-	-	-
Thursday, January 02, 2025						
7:15 AM	China	Caixin Manufacturing PMI	50.5	51.6	51.5	Medium
7:00 PM	US	Unemployment Claims	-	220K	219K	High
9:30 PM	US	Crude Oil Inventories	-	-	-4.2M	Medium
Friday, January 03, 2025						
8:30 PM	US	ISM Manufacturing PMI	-	48.3	48.4	High
8:30 PM	US	ISM Manufacturing Prices	-	50.5	50.3	Medium
9:00 PM	US	Natural Gas Storage	-	-	-93B	Medium



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