

January 23, 2025

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	January	Sell	833-834	827	837	Intraday

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Daily Snapshot

News and Developments

- Spot gold prices ended on positive note gaining 0.43%, while Silver prices ended flat yesterday despite of strong dollar and rise in US treasury yields. Further, gold prices rallied to near 3 month high amid rise in safe haven demand following lack of clarity around US President Donald Trump policies on tariffs, investors fear could trigger trade war
- Spot Silver prices ended flat in yesterday's trading session amid strong dollar and rise in US treasury yields.
- US Dollar ended on the positive note gaining almost 0.2% yesterday on trade war concerns after US President Donald Trump said his administration is discussing imposing a 10% tariff on Chinese goods in retaliation for the flow of fentanyl from the country. US President Trump earlier said Mexico and Canada could face levies of around 25% and even promised duties on European imports. Additionally, dovish comments from ECB policymakers weighed on euro benefiting dollar
- US Treasury yields were modestly higher as investors grew more cautious and awaited more announcements from the new administration about policies on tariffs, immigration and tax cuts. The benchmark US Treasury 10-year yield rose to 4.61%. While 2-year treasury yield, which typically moves in step with interest rate expectations increased to 4.30%.
- Crude oil prices settled lower yesterday losing more than 0.5% yesterday on fears that US President Donald Trump proposed tariffs on major trading partners could affect global economic growth and demand for energy. Moreover, API data showed crude oil inventories increased by 958,000 barrels for the week ending 17th January. Gasoline inventories rose by 3.23 million barrels, and distillate stocks climbed by 1.88 million barrels
- Copper prices ended on the negative note losing almost 1% on strong dollar and renewed threats of tariffs on major trading partners of US

Source: Bloomberg, Reuters, ICICI Direct Research

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	79564	0.43%	2756.5	0.43%
Silver	91944	-0.16%	30.83	0.15%
Copper	831.2	-0.30%	9223.5	-0.66%
Aluminium	255.3	-0.29%	2634.0	-0.45%
Zinc	275.2	-0.38%	2900.0	-0.48%
Lead	178.0	0.37%	1967.0	-0.20%
WTI Crude Oil	6516	0.05%	75.44	-0.59%
US Nat Gas	340.0	4.52%	3.96	5.43%

Domestic Currencies

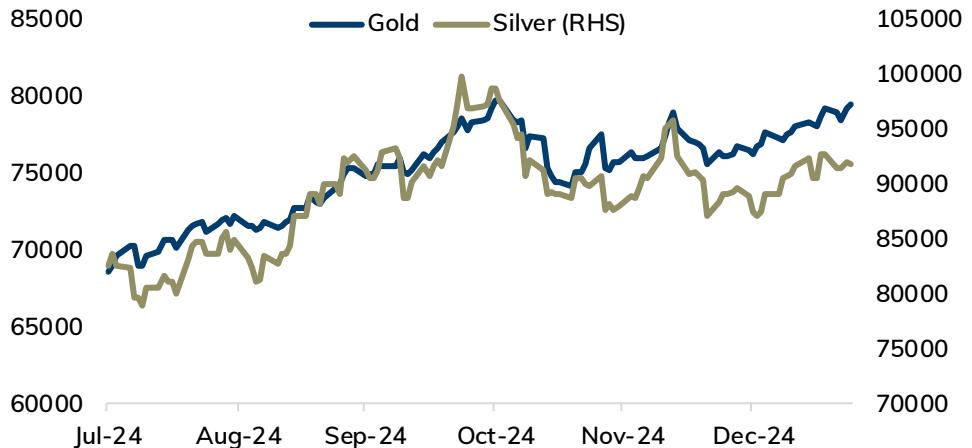
Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th January)	86.40	-0.32%	2917451	-16443	247973	-184538
EURINR (29th January)	90.28	0.55%	16989	643	2883	-7632
GBPINR (29th January)	106.80	0.65%	27918	-2659	10075	-3135

Daily Strategy Follow-up

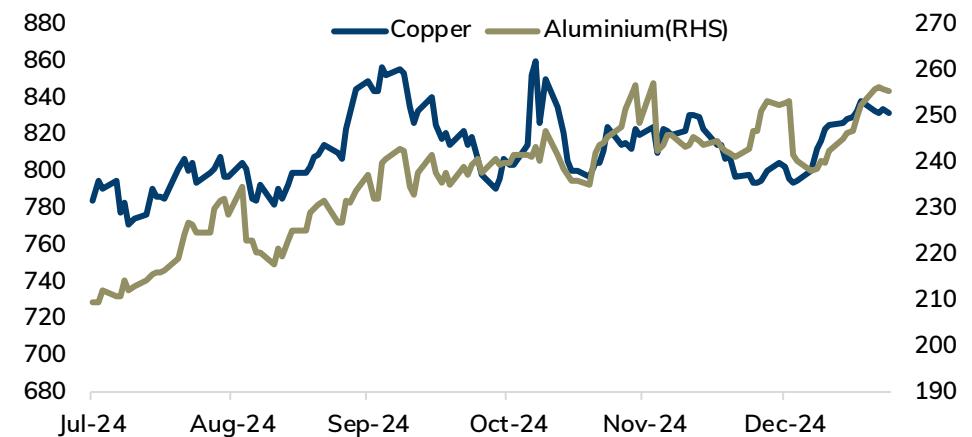
Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	February	Buy	79100-79150	79700	78800	Not Initiated

Metal's Outlook

MCX Gold vs. Silver



MCX Copper vs. Aluminium



Bullion Outlook

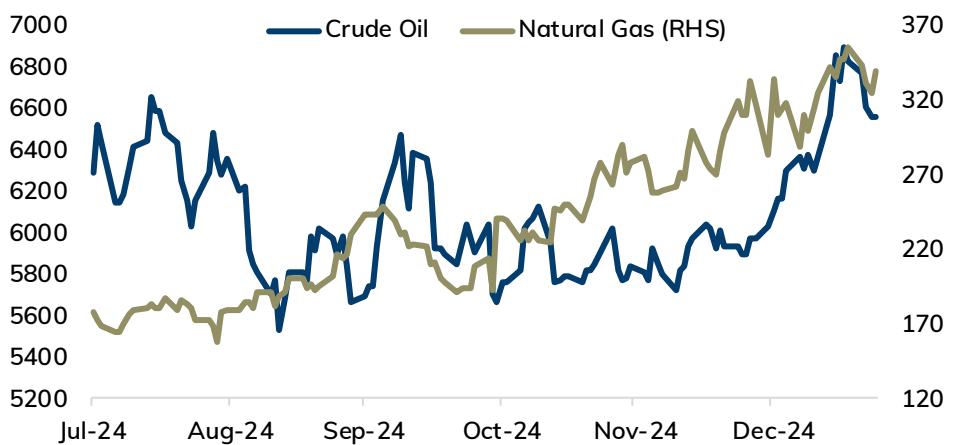
- Spot gold is likely to rise further towards \$2775 level amid rise in demand for safe haven following uncertainty surrounding US President Donald Trump's potential tariffs plans. US President Donald Trump signaled possibility of implementing duties on China, Canada and Mexico as soon as next month. On top of it he also promised duties on European imports, without giving clarity. Further, multiple ECB policymakers signaled that central bank will keep lowering interest rates this year. Meanwhile, eyes will be on initial jobless claims data from US and WEF Annual meeting
- Spot gold is likely to rise towards \$2775 level as long as it trades above \$2730 level. A break above \$2775 level prices may rise further towards \$2790 level. MCX Gold February is expected to rise further towards ₹80,000 level as long as it stays above ₹79,200 level
- Spot Silver is likely to face stiff resistance near \$31.0 and slip back towards \$30.20 level. MCX Silver March is expected to dip towards ₹90,500 level as long as it trades below ₹93,000 level

Base Metal Outlook

- Copper prices are expected to trade with negative bias on strong dollar. Further, as Chinese New Year break approaches, new orders in the market are limited and demand continues to weaken. Additionally, Trump threats to impose tariffs on major trading partners may ignite trade war curbing global economic growth and denting demand for industrial metal. Moreover, investors fear that US President Donald Trump aggressive stance on immigration and potential tariffs will act as headwinds for Fed goal of bring down inflation to 2% average, forcing central bank to keep interest rates elevated for extended period
- MCX Copper January is expected to slip towards ₹822 level as long as it stays below ₹838 level. A break below ₹822 level copper prices may slip further towards ₹815 level
- MCX Aluminum Jan is expected to face stiff resistance near ₹257 level and slip back towards ₹253 level. MCX Zinc Jan is likely to slip towards ₹272 level as long as it stays below ₹277 level

Energy Outlook

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade with negative bias and slip further towards \$74 level on strong dollar, rise in crude oil and fuel stockpiles and easing tensions in the Middle East following ceasefire between Hamas and Israel. Moreover, investors fear that proposed tariffs by US President would start trade war, hurting global economic growth and dent demand for oil. Meanwhile, sharp fall in oil prices may be cushioned as US threatened new tariffs against Russia if it does not make a deal to end its war with Ukraine. Further, US president also said his administration would probably stop buying oil from Venezuela.
- NYMEX Crude oil is likely to slip further towards \$74 level as long as it stays below \$76.50 level. MCX Crude oil Feb is likely to slip further towards ₹6400 level as long as it stays below ₹6700 level.
- MCX Natural gas Feb is expected to rise further towards 310 level as long as it stays above 288 level. A break above 310 level prices may rise further towards 315 level.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	79153	79359	79497	79703	79841
Silver	90681	91313	91931	92563	93181
Copper	826.5	828.8	831.4	833.8	836.4
Aluminium	252.8	254.0	255.3	256.5	257.8
Zinc	272.3	273.7	275.4	276.9	278.6
Lead	175.9	176.9	177.7	178.8	179.6
Crude Oil	6441	6478	6518	6555	6595
Nat Gas	314	327	334	347	355

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	86.14	86.27	86.46	86.59	86.77
US\$INR (Feb)	86.39	86.50	86.69	86.80	86.98
EURINR (Jan)	89.99	90.14	90.22	90.36	90.45
EURINR (Feb)	91.27	91.03	91.27	91.03	91.27
GBPINR (Jan)	105.90	106.35	106.65	107.10	107.40
GBPINR (Feb)	106.76	107.03	106.76	107.03	106.76
JPYINR (Jan)	55.11	55.26	55.56	55.71	56.00
JPYINR (Feb)	56.59	56.17	56.59	56.17	56.59

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	108.17	108.06	0.10%
US\$INR	86.33	86.59	-0.29%
EURUSD	1.0409	1.0428	-0.18%
EURINR	90.19	89.64	0.62%
GBPUSD	1.2316	1.2350	-0.28%
GBPINR	106.75	106.06	0.65%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.723	6.737	-0.01
US	4.611	4.576	0.03
Germany	2.530	2.510	0.02
UK	4.633	4.590	0.04
Japan	1.201	1.194	0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
11-12-2024	9:00 PM	-1.4M	-1.0M
04-12-2024	9:00 PM	-5.1M	-1.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	260400	-125	-0.05%
Aluminium	600175	-4100	-0.68%
Zinc	192950	-2175	-1.11%
Lead	229425	-1800	-0.78%
Nickel	172206	1992	1.17%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, January 20, 2025						
6:30 AM	China	5-y Loan Prime Rate	3.60%	3.60%	3.60%	Medium
All day	US	Bank Holiday	-	-	-	-
Tuesday, January 21, 2025						
12:30 PM	UK	Claimant Count Change	0.7K	10.3K	0.3K	High
12:30 PM	UK	Average Earnings Index 3m/y	5.60%	5.60%	5.20%	Medium
3:30 PM	Europe	German ZEW Economic Sentiment	18	15.2	15.7	Medium
Wednesday, January 22, 2025						
Tentative	All	WEF Annual Meetings	-	-	-	-
8:45 PM	Europe	ECB President Lagarde Speaks	-	-	-	Medium
Thursday, January 23, 2025						
7:00 PM	US	Unemployment Claims	220K	217K	217K	High
9:30 PM	US	Crude Oil Inventories	-	(-2.0)M	(-2.0)M	Medium
Friday, January 24, 2025						
Tentative	Japan	BOJ Policy Rate	<0.5%	<0.25%	<0.25%	High
2:30 PM	Europe	Flash Manufacturing PMI	45.5	45.1	45.1	Medium
2:30 PM	Europe	Flash Services PMI	51.4	51.6	51.6	Medium
3:00 PM	UK	Flash Manufacturing PMI	46.9	47	47	High
3:00 PM	UK	Flash Services PMI	50.8	51.1	51.1	High
8:15 PM	US	Flash Manufacturing PMI	-	49.4	49.4	High
8:15 PM	US	Flash Services PMI	-	56.8	56.8	High
8:30 PM	US	Existing Home Sales	4.19M	4.15M	4.15M	Medium
8:30 PM	US	Revised UoM Consumer Sentiment	-	73.2	73.2	Medium



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