

February 4, 2025

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	February	Sell	6360-6370	6200	6450	Intraday

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News and Developments

- Spot gold prices hit record high and gained almost 1% on Monday on safe haven buying. Prices gained after US President Donald Trump imposed tariffs on Canada, and China. Silver followed the yellow metal and gained more than 0.50%. Gains in silver prices accelerated after the US ISM manufacturing and construction spending rose more than expected, which is supportive for the industrial metal demand.
- US Dollar index pared its earlier gains after U.S. President Donald Trump paused new tariffs on Mexico for one month. In the meantime, a stronger than expected US manufacturing PMI data also supported the dollar to trade higher. Last month factory activity hit its highest level over two-years indicating expansion in the activity, which will further challenge two rate cuts this year.
- U.S. 10-year Treasury yields fell on Monday as most investors sought flight to safety. Meanwhile, 2-year yields traded higher as better than expected US manufacturing activity challenged two rate cuts in this year. Uncertainty over the impact of tariff on inflation and rate cut has brought volatility in the bond market.
- Crude oil prices pared its earlier gains after US President Donald Trump said he would delay tariffs on Mexico for a month. Uncertainty on tariffs has rattled the risk sentiments and weakened the oil prices. Further, OPEC+'s plan to gradual output increase after 1st quarter also weighed on the oil prices.
- Copper prices witnessed a sharp rebound amid a surprise turnaround in US manufacturing activity. Further retreat in the US dollar and depleting inventory levels in LME supported the metal to hit 1-week high.
- Natural gas prices gained more than 10% on Monday amid colder weather forecast in US. Further, tariffs on Canada which supplies almost 9% of total gas consumption in US also supported prices.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	83283	1.19%	2815.2	0.60%
Silver	94257	1.12%	31.60	0.94%
Copper	835.8	0.94%	9099.0	0.56%
Aluminium	253.5	1.40%	2623.0	1.12%
Zinc	267.2	1.83%	2799.0	2.08%
Lead	179.0	0.31%	1945.5	-0.21%
WTI Crude Oil	6334	-0.25%	73.16	0.87%
US Nat Gas	291.7	9.13%	3.35	10.12%

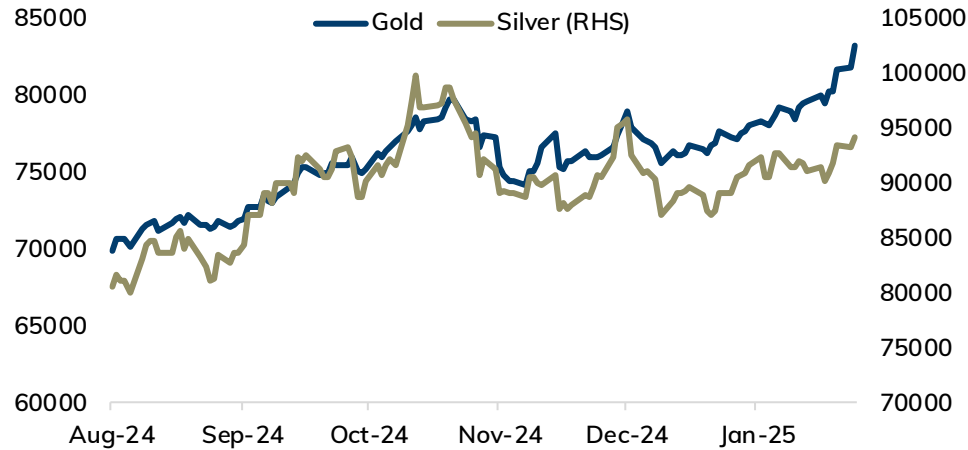
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (25th February)	87.33	0.63%	2504627	-45519	259095	-302411
EURINR (25th February)	89.58	-0.70%	17426	14	5940	764
GBPINR (25th February)	107.51	-0.29%	16645	-718	6302	-4415

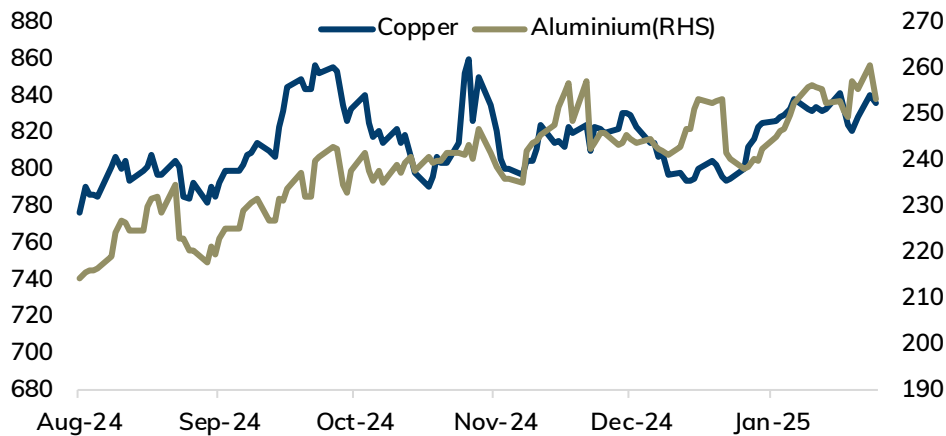
Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	February	Sell	829-830	821	834	Stoploss Triggered

MCX Gold vs. Silver



MCX Copper vs. Aluminium



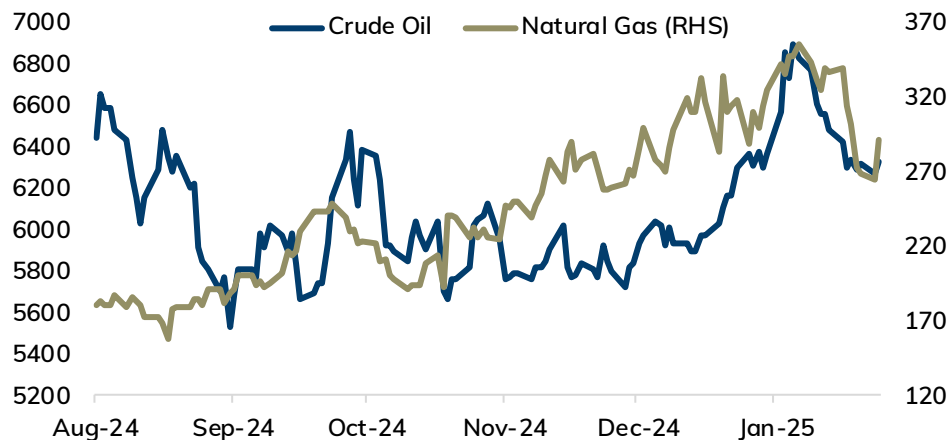
Bullion Outlook

- Gold is likely to trade with positive bias amid safe haven buying. Trade war concerns has sparked the demand for safe assets and it is expected to support the bullions to make new highs. Further, increasing premiums in the futures market indicates a high risk premium. On Monday premium on COMEX futures over spot has widened again to \$40. Meanwhile, demand in the Asian markets remain muted amid higher prices. Spot gold is expected to hold the support of \$2770 and move higher towards \$2840. Closure of OI in OTM call strikes indicates short covering which might push prices further higher.
- MCX Gold April is expected to rise back towards ₹84,000 level as long as it stays above ₹82,700 level. Only a move below ₹82,700 level prices may slip sharply towards ₹82,000 level
- MCX Silver March is expected to find its support near ₹93,000 and rally towards ₹95,000 level. On contrary if prices break above ₹93,000 level then prices may decline towards ₹91,800 level

Base Metal Outlook

- Copper prices are expected to trade with positive bias on improved demand optimism after US manufacturing activity expanded for the first time in 26 months. Further, depleting inventory levels in LME and return of China after long holiday break would bring back bullish momentum in prices. Meanwhile, pause in tariffs on Canada and Mexico for a month could improve risk sentiments and improve demand outlook for industrial metal.
- 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 ₹842 level as long as it stays above ₹828 level. Only below ₹828 level copper prices may slip towards ₹821 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 ₹262 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- Crude oil is expected to trade with negative bias on reports that US President administration has agreed to pause the proposed tariffs on Mexico and Canada for a month. Canada and Mexico are the two largest crude oil exporters to the United States. While, OPEC+'s decision to not change its oil production plans in the first quarter may limit more downside in prices.
- On the data front, addition of fresh OI in ATM and OTM call strikes indicates prices to face stiff resistance near \$75 and weaken it further towards \$71. Further, formation of a bearish engulfing pattern would also weaken oil prices. MCX Crude oil Feb is likely to face the hurdle near ₹6460 level and slide towards ₹6200 level. Below ₹6200 level it would open the doors towards ₹6100 level
- MCX Natural gas Feb is expected to hold the support near ₹281 level and rebound towards ₹300 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	81096	82190	82955	84049	84814
Silver	90566	92411	93571	95416	96576
Copper	814.3	825.0	830.9	841.6	847.5
Aluminium	244.5	249.0	251.6	256.1	258.7
Zinc	256.1	261.6	264.7	270.2	273.3
Lead	177.6	178.3	179.3	180.0	181.1
Crude Oil	6149	6241	6381	6473	6613
Nat Gas	260	276	288	303	315

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	86.62	86.98	87.23	87.59	87.84
US\$INR (Mar)	86.82	87.15	87.36	87.69	87.90
EURINR (Feb)	88.39	88.98	89.40	89.99	90.41
EURINR (Mar)	92.93	91.53	92.93	91.53	92.93
GBPINR (Feb)	106.38	106.95	107.27	107.83	108.16
GBPINR (Mar)	107.36	107.72	107.36	107.72	107.36
JPYINR (Feb)	56.33	56.67	56.83	57.17	57.33
JPYINR (Mar)	58.85	57.85	58.85	57.85	58.85

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	108.99	108.37	0.57%
US\$INR	87.19	86.62	0.66%
EURUSD	1.0344	1.0362	-0.17%
EURINR	89.19	89.96	-0.85%
GBPUSD	1.2450	1.2395	0.44%
GBPINR	107.18	107.59	-0.39%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.667	6.700	-0.03
US	4.555	4.539	0.02
Germany	2.385	2.460	-0.08
UK	4.487	4.538	-0.05
Japan	1.252	1.245	0.01

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	255125	-1100	-0.43%
Aluminium	587200	-650	-0.11%
Zinc	179275	-1450	-0.80%
Lead	220625	-850	-0.38%
Nickel	172500	198	0.11%

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		7.88M	8.10M	High
8:30 PM	US	Factory Orders m/m		-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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