

January 16, 2025

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Silver Micro	February	Buy	92200-92300	93200	91700	Intraday

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## News and Developments

- Spot gold prices ended on positive note gaining 0.7%, while Silver prices rose more than 2.5% yesterday on weak dollar and decline in US treasury yields. Further, prices rallied after US core inflation data came in softer than expected, stirred up expectations that the Federal Reserve's easing cycle may not be over yet
- US Dollar ended on the negative note losing 0.1% as cooler than expected core inflation data increased the chances of Federal Reserve cutting interest rates twice this year. Softer core reading coupled with producer prices data triggered fall in the dollar. Moreover, US Jan Empire manufacturing survey of general business conditions unexpectedly fell to an 8-month low, hurting dollar. However, dollar pared some losses against major peers on hawkish comments from Fed officials, who signaled that it would take more time for inflation to fall to the Fed's target
- Data showed that the headline Consumer Price Index rose 0.4% last month after climbing 0.3% in November. Core-CPI increased 0.2% in December, after a 0.3% rise in the previous month
- US Treasury yields fell after data showed underlying inflation softened last month, signaling Fed to remain on track of cutting interest rates this year. The benchmark US Treasury 10-year yield slipped to 4.653%. While 2-year treasury yield, which typically moves in step with interest rate expectations dipped to 4.266%
- NYMEX Crude oil prices settled higher yesterday gaining more than 3% as US crude oil inventories fell to their lowest since 2022 and potential supply disruptions caused by new US sanctions on Russia
- Copper prices ended on the positive amid weak dollar and rise in risk appetite in the global markets following softer consumer inflation data. Investors also cheered ceasefire deal between Israel and Hamas

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	78710	0.71%	2696.3	0.70%
Silver	92856	2.54%	30.65	2.51%
Copper	832.3	0.33%	9167.5	0.15%
Aluminium	249.8	1.15%	2601.5	1.62%
Zinc	273.1	-0.20%	2863.0	0.02%
Lead	176.7	-0.59%	1935.0	-1.58%
WTI Crude Oil	6794	2.06%	80.04	3.28%
US Nat Gas	348.7	0.11%	4.08	2.90%

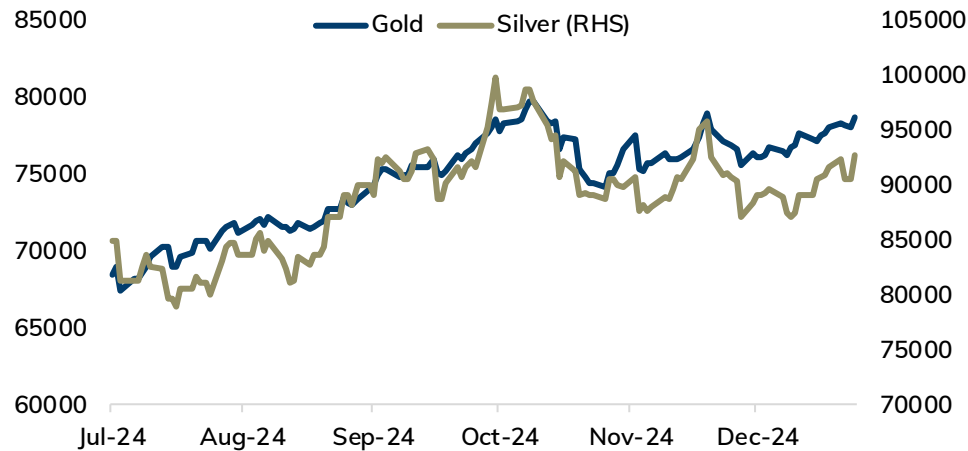
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th January)	86.50	-0.22%	3142224	-61963	502585	-214158
EURINR (29th January)	89.16	0.18%	23724	2083	3114	-983
GBPINR (29th January)	105.74	0.11%	31942	553	4468	-1455

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	February	Sell	78360-78400	77700	78700	Stoploss Triggered

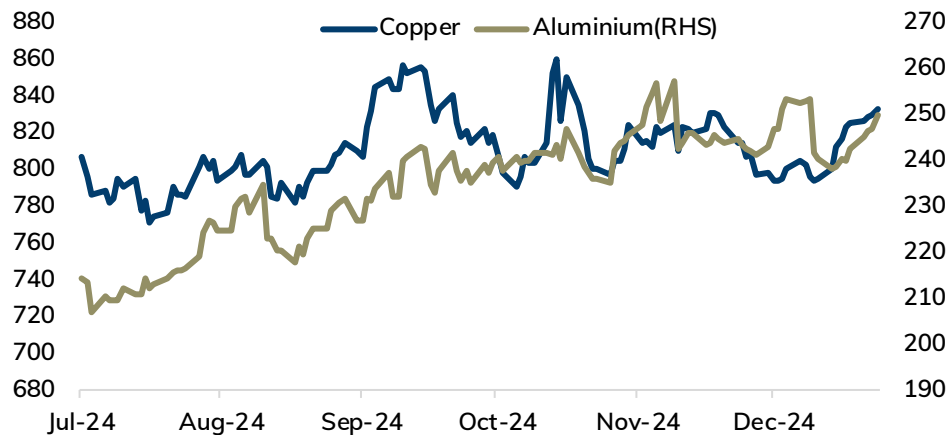
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to rise further towards \$2720 level on weak dollar and decline in US treasury yields. Yields and Dollar are correcting from their recent highs as softer than expected core-inflation reading coupled with producer prices data not only reinforced expectation of more than 1 rate cut this year but also vanished the rate hike expectation this year which market had entertained. Meanwhile, sharp upside may be capped on expectation of mixed batch of economic data from US.
- Spot gold is likely to rise further towards \$2720 level as long as it stays above \$2670 level. MCX Gold February is expected rise further towards 79,100 level as long as it trades above 78,300 level
- Spot Silver is likely to rise further towards \$31 as long as it trades above \$30.30 level which is also 50-Day EMA. A break above \$31 level prices may rally further towards \$31.40 level. MCX Silver March is expected to rise towards 94,000 level as long as it trades above 91,500 level

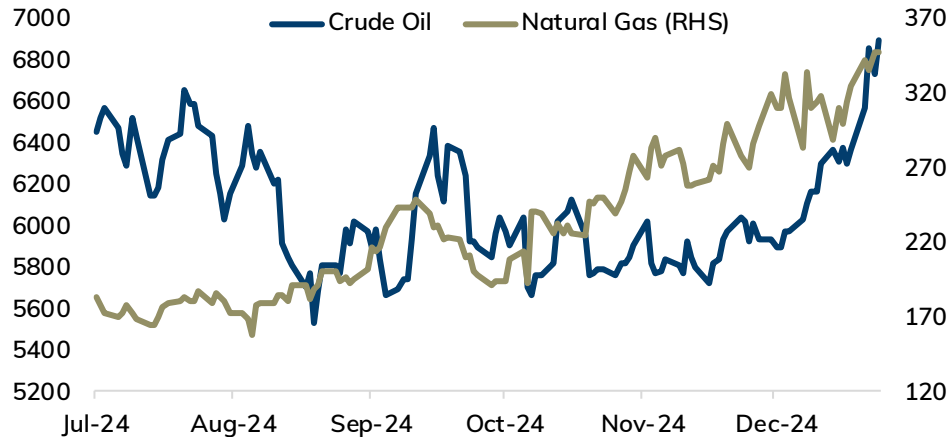
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade with positive bias amid rise in risk appetite in the global markets and weak dollar following improved economic data from US. Further, better than expected economic data from China and persistent decline in LME inventories will also support prices. Additionally, China's top leaders have vowed to loosen monetary policy and adopt a more proactive fiscal policy this year, aiming to offset external pressures and revitalize domestic demand.
- MCX Copper January is expected to rise towards 838 level as long as it stays above 824 level. A break above 838 level copper prices may rise further towards 841 level
- MCX Aluminium Jan is expected to move north towards 252 level as long as it stays above 247 level. MCX Zinc Jan is likely to rise back towards 275 level as long as it stays above 270 level

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to trade with positive bias and rise towards \$80 level on fears over tightened supplies following US sanctions on Russian's oil producers. Additionally, weak dollar and large draw in US crude oil stockpiles will be positive for the prices. Further, strength in crude crack spread will also support prices as higher crack spread encourages refiners to boost their crude purchases. Meanwhile, sharp upside may be capped on easing of Middle East tensions after Israel and Hamas agreed to a ceasefire deal
- NYMEX Crude oil is likely to rise further towards \$80 level as long as it stays above \$77.50 level. MCX Crude oil Feb is likely to rise further towards 6930 level as long as it stays above 6700 level.
- MCX Natural gas Jan is expected to slip back towards 330 level as long as it stays below 347 level. A break below 330 level it may further slip towards 322 level.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	78067	78389	78562	78884	79057
Silver	89659	91257	92109	93707	94559
Copper	821.3	826.8	829.8	835.2	838.2
Aluminium	243.3	246.5	248.3	251.5	253.3
Zinc	266.9	270.0	271.8	274.9	276.7
Lead	175.2	175.9	176.9	177.7	178.7
Crude Oil	6533	6663	6738	6868	6943
Nat Gas	325	337	346	358	367

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	86.28	86.39	86.53	86.64	86.78
US\$INR (Feb)	86.54	86.63	86.78	86.87	87.01
EURINR (Jan)	88.99	89.08	89.19	89.27	89.39
EURINR (Feb)	90.91	90.32	90.91	90.32	90.91
GBPINR (Jan)	105.19	105.46	105.68	105.95	106.16
GBPINR (Feb)	106.42	106.34	106.42	106.34	106.42
JPYINR (Jan)	54.44	54.98	55.29	55.83	56.14
JPYINR (Feb)	56.48	55.96	56.48	55.96	56.48

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	109.09	109.27	-0.17%
US\$INR	86.36	86.64	-0.32%
EURUSD	1.0289	1.0308	-0.18%
EURINR	89.03	88.89	0.16%
GBPUSD	1.2242	1.2215	0.22%
GBPINR	105.53	105.51	0.02%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.814	6.822	-0.01
US	4.653	4.792	-0.14
Germany	2.560	2.652	-0.09
UK	4.731	4.889	-0.16
Japan	1.256	1.247	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	260750	-1150	-0.44%
Aluminium	614375	-2500	-0.41%
Zinc	206375	-3100	-1.48%
Lead	239000	18425	8.35%
Nickel	167814	3228	1.96%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, January 13, 2025						
Tentative	China	New Loans		890B	580B	Medium
Tentative	China	Trade balance	753B	730B	693B	Medium
4:00 PM	India	Inflation Rate y/y	5.22%	5.48%	5.20%	High
Tuesday, January 14, 2025						
7:00 PM	US	PPI m/m	0.20%	0.40%	0.40%	High
Wednesday, January 15, 2025						
12:30 PM	UK	CPI y/y	2.50%	2.60%	2.60%	High
3:30 PM	Europe	Industrial Production m/m	0.2%	0.3%	0.0%	Medium
7:00 PM	US	CPI y/y	2.9%	2.9%	2.7%	High
7:00 PM	US	Empire State Manufacturing Index	-12.60	2.70	0.20	Medium
9:00 PM	US	Crude Oil Inventories	(-2.0)M	(-1.0)M	(-1.0)M	Medium
Thursday, January 16, 2025						
12:30 PM	Europe	German Final CPI m/m		0.4%	0.4%	Medium
12:30 PM	UK	GDP m/m		0.20%	-0.10%	High
7:00 PM	US	Retail Sales m/m		0.6%	0.7%	High
7:00 PM	US	Unemployment Claims		210K	201K	High
7:00 PM	US	Philly Fed Manufacturing Index		-7	-16.4	Medium
Friday, January 17, 2025						
7:30 AM	China	GDP q/y		5.00%	4.60%	Medium
7:30 AM	China	Industrial Production y/y		5.40%	5.40%	Medium
7:30 AM	China	Retail Sales y/y		3.50%	3.00%	Medium
12:30 PM	UK	Retail Sales m/m		0.40%	0.20%	High
3:30 PM	Europe	Final CPI y/y		2.40%	2.40%	Medium
7:00 PM	US	Building Permits		1.46M	1.49M	Medium
7:45 PM	US	Industrial Production m/m		0.30%	-0.10%	Medium



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