

January 31, 2025

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	February	Sell	275-276	265	280	Intraday

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News and Developments

- Spot gold prices ended on positive note gaining 1.26%, while Silver prices rose by 2.6% yesterday amid softening of US treasury yields. Gold prices hit a lifetime high on safe haven demand due to concerns over global economic growth as US President Donald Trump tariff plans may ignite trade war. Additionally, monetary easing across other major central banks supported gold prices. ECB lowered borrowing cost for 5th time since June
- US Dollar ended on the positive note gaining 0.22% yesterday after US Federal Reserve left interest rates unchanged as expected and signaled that central bank is no rush to cut interest rates again. Further, markets weighed fresh tariff threats, larger than expected decline in US weekly jobless claims, and an interest rate cut by the European Central Bank. Moreover, US economy grew by an 2.3% in the fourth quarter, undershooting expectations but buoyed by strong consumer spending
- US Q4 personal consumption rose 4.2%, stronger than expectations of 3.2%. The Q4 core PCE deflator rose 2.5%, right on expectations. US weekly initial unemployment claims unexpectedly fell by 16,000 to 207,000.
- The ECB cut borrowing costs by 25 basis points, as widely expected, and left the door open to further cuts
- Yields slipped yesterday amid mixed batch of economic data from US and tracked those of European government bonds after a rate cut from the ECB. The benchmark US Treasury 10-year yield slipped to 4.520%. While 2-year treasury yield, which typically moves in step with interest rate expectations dipped to 4.213%.
- Crude oil prices settled higher yesterday gaining more than 0.33% despite of strong dollar and concerns over US tariffs on Canada and Mexico
- Copper prices ended on the positive note gaining 0.55% yesterday on improved global market sentiments and decline in LME inventories

Source: Bloomberg, ICICI Direct Research

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	82044	1.45%	2794.6	1.28%
Silver	93446	1.72%	31.60	2.42%
Copper	832.5	0.48%	9128.5	0.67%
Aluminium	252.1	0.04%	2626.5	0.27%
Zinc	267.3	0.36%	2793.5	0.38%
Lead	179.6	0.28%	1967.5	0.36%
WTI Crude Oil	6293	0.51%	72.73	0.15%
US Nat Gas	269.1	-1.68%	3.05	-3.88%

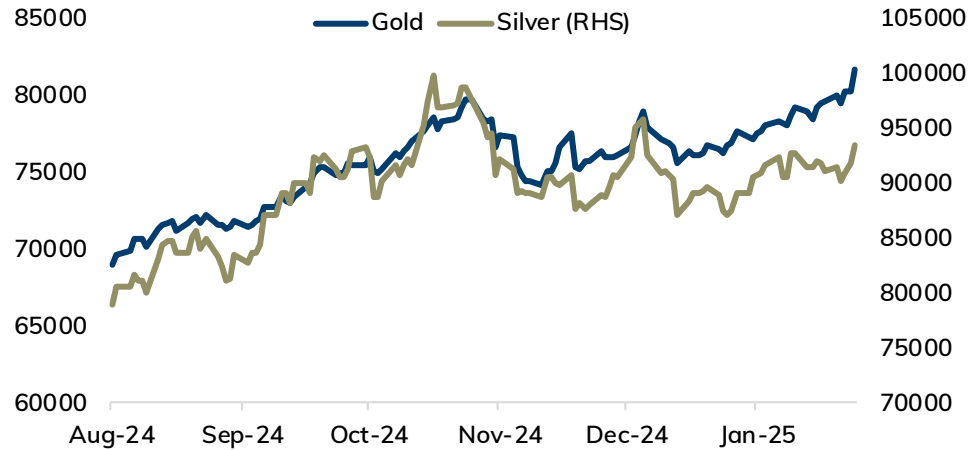
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (25th February)	86.79	0.25%	2493401	1166828	226265	-771787
EURINR (25th February)	90.28	-0.12%	15841	2347	3339	-5779
GBPINR (25th February)	107.80	-0.05%	10412	-9337	1743	-1140

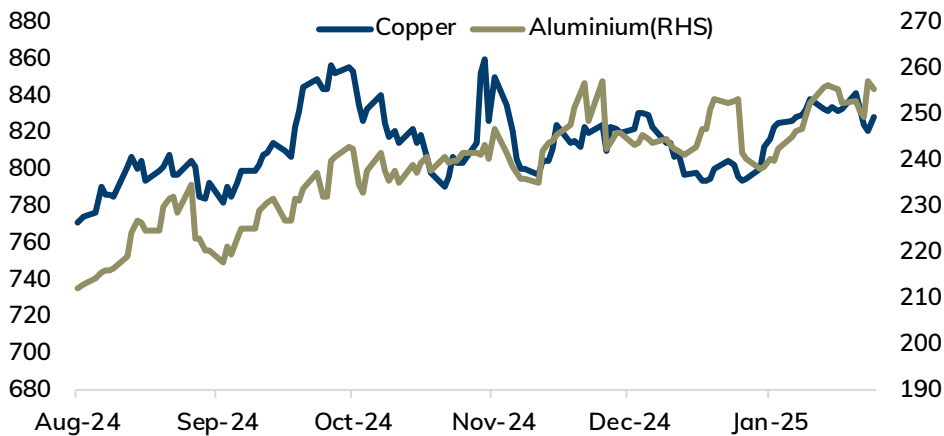
Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	February	Sell	6320-6330	6170	6420	Exit

MCX Gold vs. Silver



MCX Copper vs. Aluminium



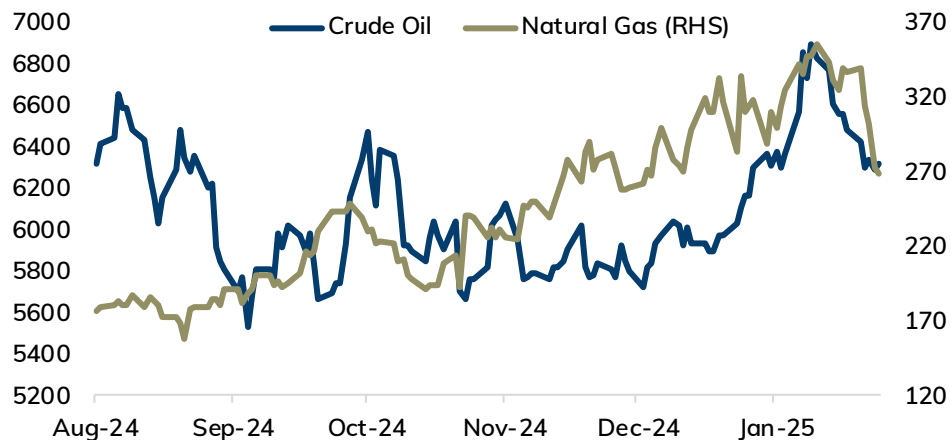
Bullion Outlook

- Spot gold is likely to continue with its upward trend and rise further hitting new highs amid softening of US treasury yields and rise in demand for safe haven. US President Donald Trump tariff plans are widely seen as inflationary and potential to trigger trade war hurting global economic growth. US President Donald Trump reiterated that the US would put a 25% tariff on imports from Mexico and Canada. Additionally, other major central bank's likely to continue with its rate cutting cycle. ECB cut borrowing cost by 25bps and left door open to further rate cuts. Meanwhile, investors will remain cautious ahead of US PCE price index report to get more clarity on interest rate path. Spot gold is likely to rise further towards \$2820 level as long as it trades above \$2760 level. MCX Gold April is expected to rise further towards ₹82,500 level as long as it stays above ₹81,400 level
- Spot Silver is likely to rise further towards \$32.00 level as long as it holds the support near \$31.0. MCX Silver March is expected to rise further towards ₹94,500 level as long as it trades above ₹92,000 level

Base Metal Outlook

- Copper prices are expected to trade with negative bias on strong dollar and signs of weaker than expected global economic growth after the US and Eurozone Q4 GDP grew at a slower than expected pace. Further, market fears that tariffs threat from US President Donald Trump could disrupt global commodity trade and ignite trade war, hurting global economic growth and denting demand for industrial metal. Meanwhile, sharp fall in prices may be cushioned on decline in LME inventories and as other major central bank's likely to continue with its rate cutting cycle
- MCX Copper February is expected to slip towards ₹825 level as long as it stays below ₹837 level. A break below ₹825 level copper prices may slip further towards ₹820 level
- MCX Aluminium Feb is expected to rise further ₹255 level as long as it trades above ₹249 level. MCX Zinc Feb is likely to hold the support near ₹265 level and rise towards ₹270 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade with negative bias and slip further towards \$72.00 level on strong dollar following hawkish signals from US Federal Reserve. Further, US President Donald Trump tariffs threat has raised concerns over trade war, hurting global economic growth and denting demand for oil. He has threatened to impose a 25% tariff as early as Saturday on Canadian and Mexican exports to the US. Moreover, market will keep an close eye on OPEC+ ministerial meeting scheduled for 3rd February. Additionally, data showing a bigger than expected build in US oil inventories would weigh on crude prices
- NYMEX Crude oil is likely to slip towards \$72.00 level as long as it stays below \$74.0 level. MCX Crude oil Feb is likely to slip towards ₹6200 level as long as it stays below ₹6420 level.
- MCX Natural gas Feb is expected to slip back towards ₹260 level as long as it trades below ₹280 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	80575	81309	81705	82439	82835
Silver	91551	92498	93149	94096	94747
Copper	824.1	828.3	831.3	835.5	838.5
Aluminium	249.4	250.7	252.0	253.4	254.7
Zinc	263.0	265.1	267.2	269.4	271.5
Lead	178.3	179.0	179.6	180.3	180.9
Crude Oil	6164	6229	6279	6344	6394
Nat Gas	259	264	273	278	286

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	86.66	86.73	86.76	86.83	86.87
US\$INR (Mar)	87.00	87.23	87.10	87.33	87.20
EURINR (Feb)	90.05	90.16	90.37	90.48	90.68
EURINR (Mar)	93.23	92.13	93.23	92.13	93.23
GBPINR (Feb)	107.60	107.70	107.87	107.97	108.14
GBPINR (Mar)	107.54	108.09	107.54	108.09	107.54
JPYINR (Feb)	56.30	56.47	56.59	56.76	56.88
JPYINR (Mar)	58.77	57.70	58.77	57.70	58.77

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	107.80	108.00	-0.19%
US\$INR	86.63	86.55	0.08%
EURUSD	1.0391	1.0421	-0.29%
EURINR	90.16	90.05	0.12%
GBPUSD	1.2419	1.2452	-0.27%
GBPINR	107.79	107.51	0.27%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.681	6.686	0.00
US	4.516	4.528	-0.01
Germany	2.519	2.583	-0.06
UK	4.560	4.621	-0.06
Japan	1.217	1.197	0.02

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	256275	-25	-0.01%
Aluminium	587850	-2500	-0.42%
Zinc	180725	0	0.00%
Lead	221475	-200	-0.09%
Nickel	172302	0	0.00%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, January 27, 2025						
7:00 AM	China	Manufacturing PMI	49.10	50.10	50.10	High
2:30 PM	Europe	German ifo Business Climate	85.1	84.9	84.7	Medium
8:30 PM	US	New Home Sales	698k	669k	664k	Medium
Tuesday, January 28, 2025						
7:00 PM	US	Durable Goods Orders m/m	-2.20%	0.30%	-1.20%	Medium
8:30 PM	US	CB Consumer Confidence	104.10	105.90	104.70	High
8:30 PM	US	Richmond Manufacturing Index	-4.00	-8	-10	Medium
Wednesday, January 29, 2025						
7:45 PM	UK	BOE Gov Bailey Speaks		-	-	High
9:00 PM	US	Crude Oil Inventories	3.5M	2.2M	(-1.0)M	Medium
Thursday, January 30, 2025						
12:30 AM	US	Federal Funds Rate	4.50%	4.50%	4.50%	High
12:30 AM	US	FOMC Statement	-	-	-	High
6:45 PM	Europe	Main Refinancing Rate	2.90%	2.90%	3.15%	High
7:00 PM	US	Advance GDP q/q	2.30%	2.70%	3.10%	High
7:00 PM	US	Advance GDP Price Index q/q	2.20%	2.50%	1.90%	Medium
7:00 PM	US	Unemployment Claims	207k	221k	223k	Medium
7:15 PM	Europe	ECB Press Conference	-	-	-	High
8:30 PM	US	Pending Home Sales m/m	-5.50%	-1.0%	2.2%	Medium
9:00 PM	US	Natural Gas Storage	(-321)B	(-317)B	(-223) B	Medium
Friday, January 31, 2025						
Tentative	Europe	German Prelim CPI m/m		0.10%	0.50%	High
7:00 PM	US	Core PCE Price Index m/m		0.20%	0.10%	High
7:00 PM	US	Employment Cost Index q/q		0.90%	0.80%	High
Saturday, February 01, 2025						
All Day	India	Union Budget		-	-	High



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