

January 29, 2025

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	February	Sell	829-830	821	834	Intraday

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News and Developments

- Spot gold prices ended on positive note gaining 0.85%, while Silver prices rose by 0.7% yesterday despite of strong dollar and recovery in US treasury yields. Gold prices rallied on safe haven demand amid increasing uncertainties over US President Donald Trump proposed tariffs. Donald Trump said he plans to impose tariffs on imported computer chips, pharmaceuticals and steel in an effort to get the producers to make them in the U.S
- US Dollar ended on the positive note gaining 0.45% yesterday as concerns over the emergence of a low-cost Chinese AI model faded. Further, dollar edged up amid new tariffs threat from US President Donald trump administration. As per media report Treasury Secretary Scott Bessent, want to start with a global tariffs of 2.5%, while US Donald Trump wants universal tariffs at much bigger than 2.5%. Meanwhile, economic reports were mixed for dollar
- US Conference Board's consumer confidence index fell to 104.1 this month from an upwardly revised 109.5 in December. Durable goods new orders fell 2.0% last month, well below expectations and the lowest since June. US November S&P CoreLogic composite-20 home price index rose 4.33% YoY, stronger than expectations of 4.24% YoY
- US Treasury yields edged higher recovering from multi week lows ahead of US Federal Reserve monetary policy. The benchmark US Treasury 10-year yield recovered to 4.536%. While 2-year treasury yield, which typically moves in step with interest rate expectations softened to 4.197%, lowest in seven weeks .
- Crude oil prices settled higher yesterday gaining more than 1.0% on rise in risk appetite in the global markets and smaller than expected increase in weekly domestic crude stockpiles. As per API reading inventories increased by 2.9 million barrels compared to expectation of buildup of 3.7M barrels
- Copper prices ended on the positive note gaining 0.2% yesterday on improved global market sentiments

Source: Bloomberg, Reuters, ICICI Direct Research

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	80289	0.89%	2763.5	0.83%
Silver	91051	0.92%	30.42	0.67%
Copper	824.5	-1.01%	8987.0	-1.19%
Aluminium	249.4	-0.52%	2572.5	-1.15%
Zinc	261.1	-1.88%	2775.0	-2.25%
Lead	175.6	-0.87%	1936.0	-0.67%
WTI Crude Oil	6298	0.49%	73.77	0.82%
US Nat Gas	303.0	-3.69%	3.47	-6.11%

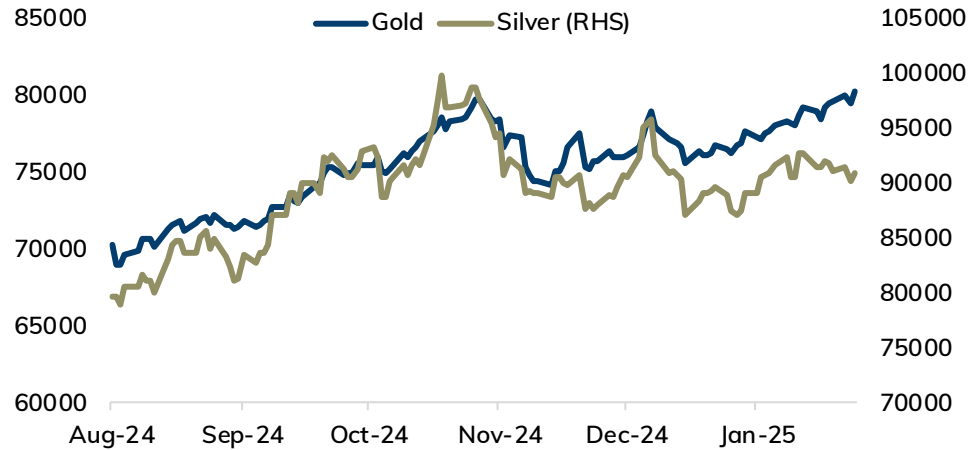
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th January)	86.58	0.31%	1822568	-214060	1038602	-2431
EURINR (29th January)	90.34	-0.41%	17506	-1841	10183	88
GBPINR (29th January)	107.62	-0.14%	22349	-1783	12719	6423

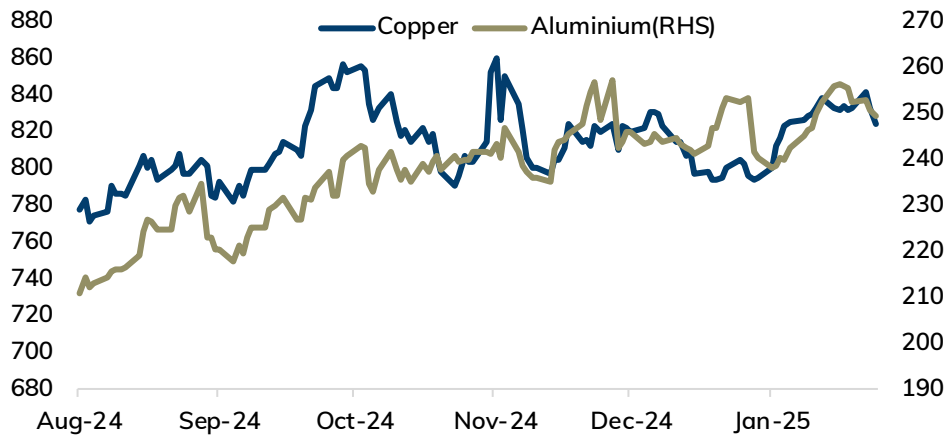
Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Silver Micro	February	Sell	90700-90800	89700	91200	Exit in Loss

MCX Gold vs. Silver



MCX Copper vs. Aluminium



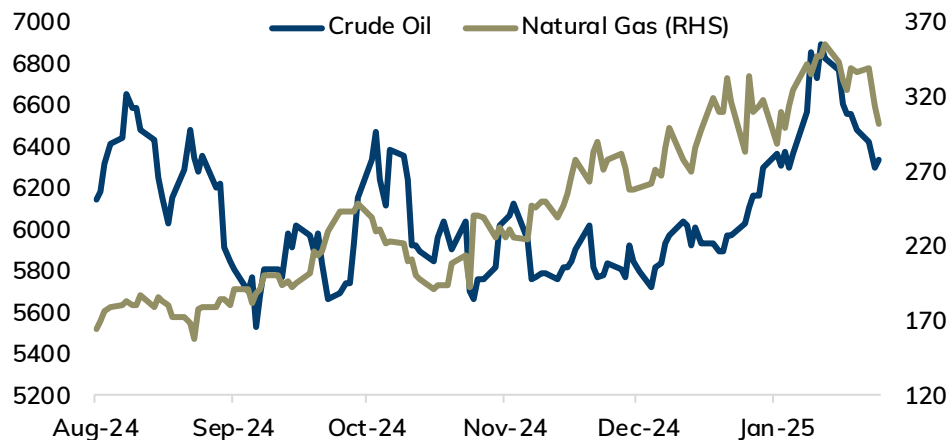
Bullion Outlook

- Spot gold is likely to face stiff resistance near \$2790 level on strong dollar and rise in US treasury yields ahead of US Federal Reserve first monetary policy this year, where central bank is likely to keep its benchmark overnight interest rate in the 4.25%-4.50% range. More focus will be on statements to get clarity on future rate trajectory. Fed chair Powell is likely to strike cautious tone and keep Feds options open so that it provides policymakers time to assess impact of US President Donald Trump administration policies. Meanwhile, uncertainties surrounding US President Donald Trump proposed tariffs will increase demand for safe haven
- Spot gold is likely to face stiff resistance near \$2790 level and slip back towards \$2740 level. MCX Gold February is expected to slip back towards ₹79,700 level as long as it stays below ₹80,500 level
- Spot Silver is likely to face stiff resistance near \$30.80 level and slip back towards \$29.80. MCX Silver March is expected to slip back towards ₹89,800 level as long as it trades below ₹92,500 level

Base Metal Outlook

- Copper prices are expected to trade with negative bias on strong dollar and rise in LME inventories along with decline in cancel warrants. Further, escalating tariffs threat from US President Donald Trump will increase the risk of raising costs for manufacturers dampening demand. Additionally, fresh tariffs warning from US President Donald Trump could disrupt global commodity trade and ignite trade war, hurting global economic growth. Traders will also remain cautious ahead of the February 1 deadline for the first round of tariffs targeting China, Mexico, and Canada.
- MCX Copper February is expected to slip towards ₹818 level as long as it stays below ₹835 level. A break below ₹818 level copper prices may slip further towards ₹815 level
- MCX Aluminium Feb is expected to face stiff resistance near ₹250 level and slip further towards ₹245 level. MCX Zinc Feb is likely to slip towards ₹262 level as long as it stays below ₹268 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade with negative bias and slip further towards \$72.50 level on strong dollar, forecast for warmer than normal temperatures and projection of rise in US crude oil inventories. Further, disappointing economic data from China fueled concerns that weakness in economy will keep its energy demand depressed. Moreover, US President Donald Trump fresh tariffs threat has raised concerns over trade war, hurting global economic growth and denting demand for oil. Additionally, all eyes will be on monetary policy outcome of major central banks, like Federal Reserve and the European Central Bank, as decision weighs on economic growth and oil demand expectations
- NYMEX Crude oil is likely to slip towards \$72.50 level as long as it stays below \$74.50 level. MCX Crude oil Feb is likely to slip towards ₹6200 level as long as it stays below ₹6450 level.
- MCX Natural gas Feb is expected to slip further towards 265 level as long as it stays below 280 level.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	79356	79823	80074	80541	80792
Silver	89367	90209	90692	91534	92017
Copper	815.5	820.0	827.0	831.5	838.5
Aluminium	245.5	247.4	251.1	253.0	256.7
Zinc	257.2	259.2	262.6	264.6	268.0
Lead	173.9	174.7	175.9	176.7	177.9
Crude Oil	6218	6258	6320	6360	6422
Nat Gas	286	294	311	319	336

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	86.36	86.47	86.53	86.64	86.70
US\$INR (Feb)	86.56	86.66	86.71	86.81	86.86
EURINR (Jan)	90.06	90.20	90.34	90.48	90.62
EURINR (Feb)	90.30	90.41	90.54	90.65	90.78
GBPINR (Jan)	107.37	107.50	107.64	107.76	107.91
GBPINR (Feb)	105.25	106.50	107.20	108.45	109.15
JPYINR (Jan)	55.28	55.64	55.82	56.17	56.35
JPYINR (Feb)	56.61	56.34	56.61	56.34	56.61

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	107.87	107.34	0.49%
US\$INR	86.53	86.34	0.22%
EURUSD	1.0430	1.0492	-0.59%
EURINR	90.31	90.56	-0.28%
GBPUSD	1.2443	1.2499	-0.45%
GBPINR	107.73	107.81	-0.08%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.689	6.680	0.01
US	4.532	4.534	0.00
Germany	2.565	2.531	0.03
UK	4.614	4.585	0.03
Japan	1.202	1.213	-0.01

US Crude Stocks Change (Barrels)

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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	256500	675	0.26%
Aluminium	592850	225	0.04%
Zinc	183025	-3625	-1.94%
Lead	222525	-2225	-0.99%
Nickel	173100	-672	-0.39%

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		-	(-1.0)M	Medium
Thursday, January 30, 2025						
12:30 AM	US	Federal Funds Rate		4.50%	4.50%	High
12:30 AM	US	FOMC Statement		-	-	High
6:45 PM	Europe	Main Refinancing Rate		2.90%	3.15%	High
7:00 PM	US	Advance GDP q/q		2.70%	3.10%	High
7:00 PM	US	Advance GDP Price Index q/q		2.50%	1.90%	Medium
7:00 PM	US	Unemployment Claims		221k	223k	Medium
7:15 PM	Europe	ECB Press Conference		-	-	High
8:30 PM	US	Pending Home Sales m/m		-1.0%	2.2%	Medium
9:00 PM	US	Natural Gas Storage			(-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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