

May 21, 2025

## Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	May	Buy	854-855	863	850	Intraday

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## News and Developments

- Spot gold prices ended on the positive note gaining more than 1.5%, while Silver prices rose more than 2% yesterday due to weakness in dollar. Further, U.S. stocks eased as investors remained cautious ahead of a critical vote over U.S. President Donald Trump's sweeping tax cuts. Furthermore, demand for safe haven increased on escalating geopolitical tension in Middle East and as Moody's downgraded the U.S. government's credit rating. Additionally, dovish comments from ECB Governing Council members Knot and Wunsch, who signaled additional ECB interest rate cuts supported prices
- US Dollar ended on the negative note losing 0.37% yesterday on surprise downgrade of the U.S. government's credit rating and uncertainty over U.S. tariff policies. Moreover, U.S. Fed policymaker's cautious remarks over the economy added downside pressure, while traders looked ahead to upcoming U.S. talks with Japan that could include discussions on currencies and volatility
- Long term U.S. treasury yields rose yesterday on concerns that tax-cut bill will worsen U.S budget deficit more than previously expected. Benchmark U.S. Treasury 10-year yield rose to 4.485%. While 2-year treasury yield, which typically moves in step with interest rate expectations decline to 3.970%.
- Crude oil prices settled higher yesterday gaining 0.16% on weak dollar and uncertainty over the progress of US-Iran nuclear negotiations. Further, European Union and Britain announced new sanctions against Russia. Meanwhile, sharp upside was capped as API figures showed unexpected increase in crude stockpiles. US Crude oil inventories rose by about 2.5M barrels for the week ended 16<sup>th</sup> May.
- Copper prices ended on the positive note due to weak dollar and as China cuts key benchmark lending rates to aid economic growth
- Natural gas prices edged higher yesterday gaining more than 9% on a decline in daily output and forecasts for more demand next week

Source: Bloomberg, ICICI Direct Research

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	94841	1.65%	3290.1	1.88%
Silver	97288	1.92%	33.08	2.23%
Copper	858.2	0.33%	9519.5	-0.04%
Aluminium	239.6	1.42%	2471.5	0.88%
Zinc	260.2	1.40%	2710.5	1.27%
Lead	178.1	0.08%	1980.5	0.97%
WTI Crude Oil	5334	-0.07%	62.56	-0.21%
US Nat Gas	291.2	8.70%	3.43	10.09%

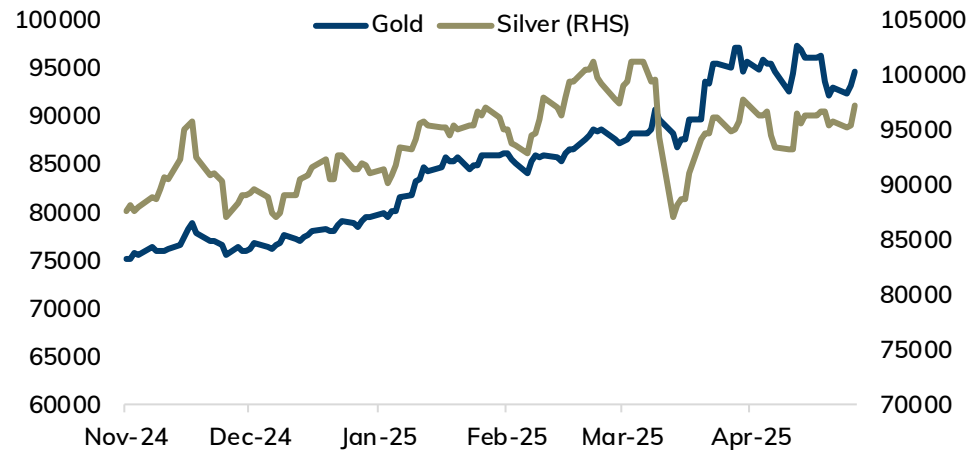
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th May)	85.63	0.19%	915252	-43527	329839	-9949
EURINR (28th May)	96.39	0.02%	27446	-90	2331	-1888
GBPINR (28th May)	114.51	0.04%	28889	1222	3261	-1500

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Silver Micro	June	Sell	95800-95850	94700	96500	Stoploss triggered

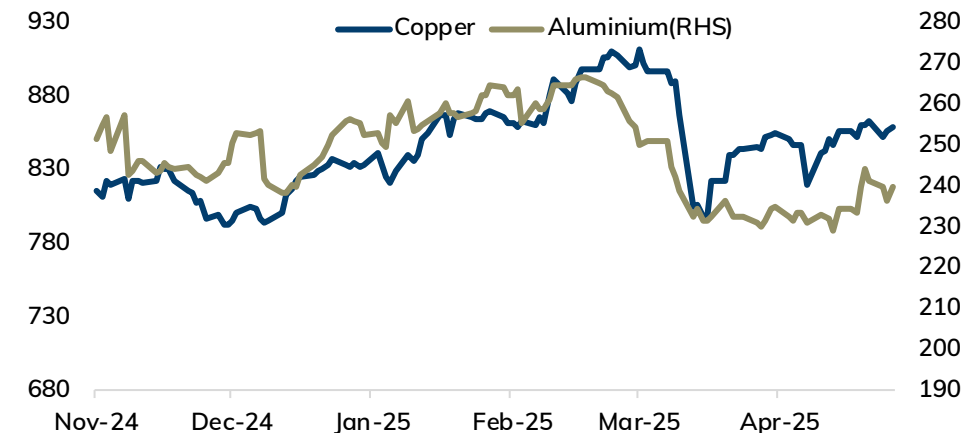
## MCX Gold vs. Silver



## Bullion Outlook

- Gold is expected to rise further towards \$3350 level on weakness in dollar and softening of short-term U.S. treasury yields. Dollar is losing steam due to concerns over ballooning fiscal debt, trade frictions, and weakened confidence. Moreover, demand for safe haven may increase on escalating geopolitical tension in Middle East and uncertainty over U.S. tariff policies. As per Media report, new intelligence obtained by the U.S. suggests that Israel is making preparations to strike Iranian nuclear facilities. Moreover, all eyes will be on critical vote in Washington over U.S. President Donald Trump sweeping tax cuts which would add \$3 trillion to \$5 trillion to the debt. Investors are worried over ballooning fiscal debt and interest expenses.
- Spot gold is likely to rise further towards \$3350 level as long as it stays above \$3240 level. MCX Gold June is expected to rise towards ₹95,500 level as long as it stays above ₹93,500 level
- MCX Silver July is expected to rise towards ₹98,000 level as long as it trades above ₹95,500 level.

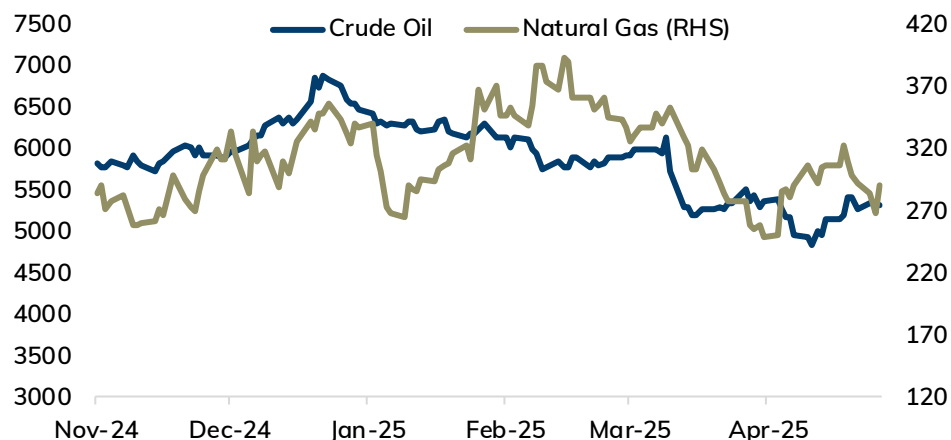
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade with positive bias on weakness in dollar and persistent decline in LME inventories. Additionally, China cut benchmark lending rates for the first time since October. Authorities eased monetary policy to protect Chinese economy from the impact of trade war. Meanwhile, sharp upside may be capped on cautious remarks about the U.S. economy by Federal Reserve officials and uncertainty over U.S. tariff policy. Investors fear that uncertainty over U.S. President Donald Trump policies could hurt economic growth as it would force household and businesses to put a pause on their spending and investment decisions
- MCX Copper May is expected to rise towards ₹865 level as long as it stays above ₹848 level. On contrary, a break below ₹848 level prices may slip further towards ₹842 level
- MCX Aluminum May is expected to rise further towards ₹243 level as long as it stays above ₹237 level. MCX Zinc May is likely to move north towards ₹263 level as long as it stays above ₹257 level.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is likely to rise further towards \$64 on weakness in dollar and escalating geopolitical tension in Middle East. As per Media report, new intelligence obtained by the U.S. suggests that Israel is making preparations to strike Iranian nuclear facilities. Although it is unclear whether Israel has made a final decision but report will raise concern about potential supply disruption in Middle East region. Investors fear that Iran may retaliate by closing vital Strait of Hormuz, through which Saudi Arabia, Kuwait, Iraq and UAE export crude oil and fuel. Additionally, doubt over the progress of US-Iran nuclear negotiations and uncertainty surrounding ceasefire talks between Russia and Ukraine will support prices
- MCX Crude oil June is likely to rise towards ₹5500 level as long as it stays above ₹5250 level.
- MCX Natural gas June is expected to rise further towards ₹335 level as long as it stays above ₹310 level.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	92094	93468	94183	95557	96272
Silver	94075	95681	96506	98112	98937
Copper	846.0	852.1	855.9	862.0	865.9
Aluminium	233.7	236.7	238.2	241.2	242.7
Zinc	253.7	257.0	258.7	262.0	263.7
Lead	176.7	177.4	177.9	178.6	179.1
Crude Oil	5230	5282	5328	5380	5426
Nat Gas	258	275	283	300	308

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	85.32	85.47	85.58	85.73	85.84
US\$INR (June)	85.49	85.64	85.74	85.89	86.00
EURINR (May)	95.95	96.17	96.33	96.55	96.72
EURINR (June)	94.16	95.47	94.16	95.47	94.16
GBPINR (May)	114.09	114.30	114.45	114.65	114.80
GBPINR (June)	110.44	112.62	110.44	112.62	110.44
JPYINR (May)	58.68	59.06	59.43	59.81	60.18
JPYINR (June)	57.43	58.53	57.43	58.53	57.43

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.12	100.43	-0.31%
US\$INR	85.64	85.40	0.27%
EURUSD	1.1283	1.1240	0.38%
EURINR	96.39	96.32	0.07%
GBPUSD	1.3393	1.3361	0.24%
GBPINR	114.52	114.40	0.10%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.265	6.290	-0.03
US	4.487	4.447	0.04
Germany	2.606	2.588	0.02
UK	4.703	4.664	0.04
Japan	1.505	1.489	0.02

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
14-05-2025	8:00 PM	3.5M	-2.0M
07-05-2025	8:00 PM	-2.0M	-1.7M
30-04-2025	8:00 PM	-2.7M	-0.6M
23-04-2025	8:00 PM	0.2M	1.6M
16-04-2025	8:00 PM	0.5M	0.4M
09-04-2025	8:00 PM	2.6M	2.2M
02-04-2025	8:00 PM	6.2M	-0.4M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	170750	-3575	-2.05%
Aluminium	390925	-2525	-0.64%
Zinc	156725	-4075	-2.53%
Lead	245750	-600	-0.24%
Nickel	202098	90	0.04%

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, May 19, 2025						
7:30 AM	China	Industrial Production y/y	6.10%	5.70%	7.70%	Medium
7:30 AM	China	Retail Sales y/y	5.10%	6.00%	5.90%	Medium
2:30 PM	Europe	Final CPI y/y	2.20%	2.20%	2.20%	Medium
6:00 PM	US	FOMC Member Jefferson Speaks		-	-	Medium
Tuesday, May 20, 2025						
6:30 AM	China	1-y Loan Prime Rate	3.00%	3.00%	3.10%	Medium
6:30 AM	China	5-y Loan Prime Rate	3.50%	3.50%	3.60%	Medium
7:30 PM	Europe	Consumer Confidence	-15	-16	-17	Medium
Wednesday, May 21, 2025						
11:30 AM	UK	CPI y/y		3.30%	2.60%	High
8:00 PM	US	Crude Oil Inventories		(-0.9)M	3.5M	Medium
Thursday, May 22, 2025						
1:30 PM	Europe	Flash Manufacturing PMI		49.3	49	High
1:30 PM	Europe	Flash Services PMI		50.6	50.1	High
2:00 PM	UK	Flash Manufacturing PMI		46.2	45.4	High
2:00 PM	UK	Flash Services PMI		50	49	High
6:00 PM	US	Unemployment Claims		227k	229k	Medium
7:15 PM	US	Flash Manufacturing PMI		49.9	50.2	High
7:15 PM	US	Flash Services PMI		50.7	50.8	High
7:30 PM	US	Existing Home Sales		4.15M	4.02M	Medium
8:00 PM	US	Natural Gas Storage			110B	Medium
Friday, May 23, 2025						
11:30 AM	UK	Retail Sales m/m		0.40%	0.40%	High
7:30 PM	US	New Home Sales		696k	724k	High



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