

January 30, 2025

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	February	Sell	6320-6330	6170	6420	Intraday

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News and Developments

- Spot gold prices ended on negative note losing 0.16%, while Silver prices rose by 1.35% yesterday. Gold prices slipped on firm dollar and US treasury yields after US Federal Reserve held interest rate steady as widely expected and gave little insight into when further reductions may take place
- US Dollar ended on the positive note gaining 0.03% yesterday after US Federal Reserve left interest rates unchanged as expected. Further, central bank dropped language saying inflation has made progress towards its 2% inflation goal, noting only the pace of price increases remains elevated, suggesting the Fed may remain on pause for longer. Moreover, Fed Chair Powell, said economic activity has continued to expand at a solid pace and that the Fed does not need to be in a hurry to cut interest rates
- US Federal Reserve put a pause on its interest rate cutting cycle. US central bank decided to maintain rates at 4.25% to 4.5% and Fed Chair Powell said that central banks would not be in a hurry to cut rates again until inflation and jobs data made it appropriate
- Short term US Treasury yields edged higher after US held interest rate steady as widely expected and gave little clarity on timing of future rate cuts. The benchmark US Treasury 10-year yield slipped to 4.532%. While 2-year treasury yield, which typically moves in step with interest rate expectations recovered to 4.220%.
- Crude oil prices settled lower yesterday losing more than 1.0% on strong dollar, concerns over trade tariffs and rise in US crude oil inventories. As per EIA data, Crude oil stockpiles in the US rose by 3.46 million barrels last week. Gasoline inventories increased by 3.0 million barrels from last week while Distillate fuel inventories decreased by 5.0 million barrels
- Copper prices ended on the positive note gaining 0.89% yesterday on improved global market sentiments and decline in LME inventories
- EU unveiled a proposal for its 16th package of sanctions against Russia, targeting the nation's primary Aluminium imports

Source: Bloomberg, ICICI Direct Research

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	80280	-0.01%	2759.4	-0.15%
Silver	91866	0.90%	30.85	1.41%
Copper	820.6	-0.47%	9068.0	0.90%
Aluminium	257.4	3.21%	2619.5	1.83%
Zinc	262.2	0.40%	2783.0	0.29%
Lead	176.5	0.48%	1960.5	1.27%
WTI Crude Oil	6261	-0.59%	72.62	-1.56%
US Nat Gas	273.7	-9.67%	3.54	1.84%

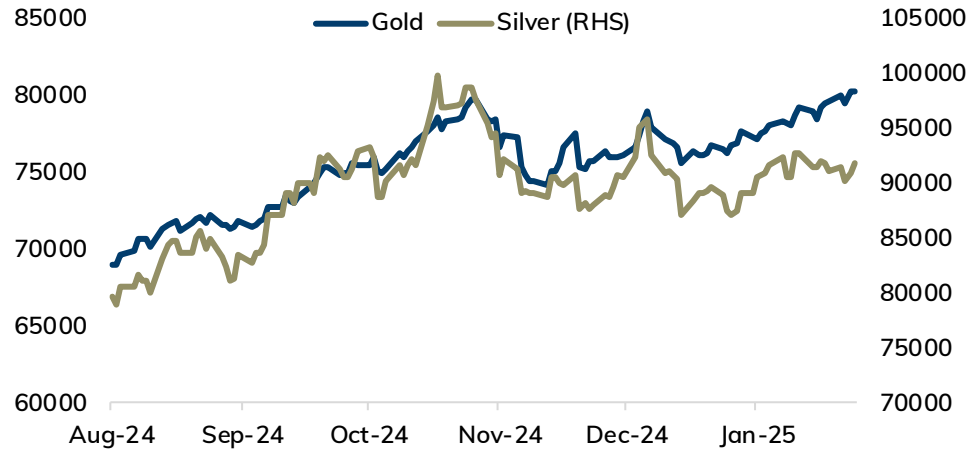
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th January)	86.58	0.00%	1326573	-495995	998052	-40550
EURINR (29th January)	90.39	0.05%	13494	-4012	9118	-1065
GBPINR (29th January)	107.85	0.21%	19749	-2600	2883	-9836

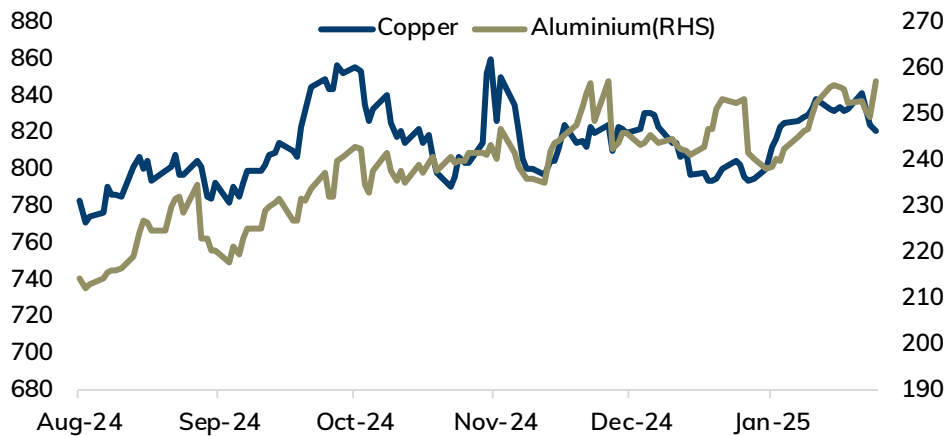
Daily Strategy Follow-up

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

MCX Gold vs. Silver



MCX Copper vs. Aluminium



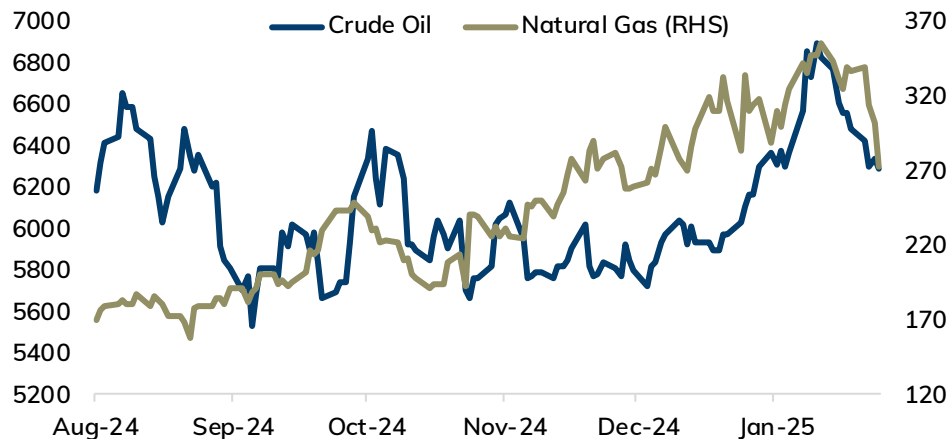
Bullion Outlook

- Spot gold is likely to face stiff resistance near \$2790 level on strong dollar and rise in US treasury yields. Dollar and Yields may move further north as US Federal Reserve hit a pause button and left interest rates unchanged and gave little insight into when further reductions may take place. Further, Fed Chair Powell language signals that central bank is been cautious until there is some strong evidence and will be on wait and watch mode. Meanwhile, uncertainties surrounding US President Donald Trump proposed tariffs will increase demand for safe haven. Additionally, investor will keep a close eye on major economic data from US and ECB monetary policy, where central bank is likely to continue with its rate cutting cycle. Spot gold is likely to face stiff resistance near \$2790 level and slip back towards \$2740 level. MCX Gold April is expected to slip back towards ₹80,300 level as long as it stays below ₹81,100 level
- Spot Silver is likely to face stiff resistance near \$31.10 level and slip back towards \$30.40. MCX Silver March is expected to slip back towards ₹90,500 level as long as it trades below ₹93,000 level

Base Metal Outlook

- Copper prices are expected to trade with negative bias on strong dollar and pessimistic global market sentiments. Further, 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. Moreover, US Federal Reserve held interest rates steady gave little insight on when it plans to lower borrowing costs. Additionally, Chinese markets will remain closed for the week long Lunar New Year holiday.
- MCX Copper February is expected to slip towards ₹820 level as long as it stays below ₹837 level. A break below ₹820 level copper prices may slip further towards ₹815 level
- MCX Aluminium Feb is expected to rise further ₹255 level as long as it trades above ₹248 level. MCX Zinc Feb is likely to hold the support near ₹263 level and recover 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 \$71.80 level on strong dollar and rise in US crude oil inventories, signaling weaker demand. Further, US President Donald Trump fresh tariffs threat has raised concerns over trade war, hurting global economic growth and denting demand for oil. Additionally, US Federal Reserve held interest rates steady and signaled that central bank would be in no rush to cut them again, elevated borrowing cost would hurt economic growth and reduce demand for oil. Moreover, market will keep a close eye on OPEC+ ministerial meeting scheduled for 3rd February.
- NYMEX Crude oil is likely to slip towards \$71.80 level as long as it stays below \$74.0 level. MCX Crude oil Feb is likely to slip towards ₹6170 level as long as it stays below ₹6420 level.
- MCX Natural gas Feb is expected to hold the support near 265 level and rise back towards 280 level.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	79873	80077	80403	80607	80933
Silver	89908	90887	91753	92732	93598
Copper	813.4	817.0	820.2	823.8	827.0
Aluminium	244.8	251.1	255.0	261.3	265.3
Zinc	256.8	259.5	261.2	263.9	265.7
Lead	173.5	175.0	176.5	178.0	179.5
Crude Oil	6174	6217	6287	6330	6400
Nat Gas	262	268	272	277	281

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	86.54	86.56	86.59	86.61	86.64
US\$INR (Mar)	86.33	86.52	86.72	86.91	87.11
EURINR (Feb)	90.17	90.28	90.46	90.57	90.75
EURINR (Mar)	89.91	90.10	90.42	90.62	90.93
GBPINR (Feb)	107.55	107.70	107.81	107.96	108.07
GBPINR (Mar)	107.27	107.46	107.78	107.97	108.29
JPYINR (Feb)	55.59	55.68	55.83	55.92	56.07
JPYINR (Mar)	55.66	55.87	56.38	56.59	57.09

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	108.00	107.87	0.12%
US\$INR	86.55	86.53	0.03%
EURUSD	1.0421	1.0430	-0.09%
EURINR	90.05	90.31	-0.28%
GBPUSD	1.2452	1.2443	0.07%
GBPINR	107.51	107.73	-0.20%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.686	6.689	0.00
US	4.528	4.532	0.00
Germany	2.583	2.565	0.02
UK	4.621	4.614	0.01
Japan	1.197	1.202	0.00

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	256300	-200	-0.08%
Aluminium	590350	-2500	-0.42%
Zinc	180725	-2300	-1.26%
Lead	221675	-850	-0.38%
Nickel	172302	-798	-0.46%

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%	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		(-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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