

Bullion

The prices of yellow metal traded higher in the previous trading session boosted by slight weakness in U.S. dollar and geopolitical tensions, as investors eyed Federal Reserve's 2025 rate strategy and Trump's tariff policies, which could shape the metal's trajectory next year

With Trump set to return to the White House in January, U.S. investors are bracing for significant policy shifts in 2025, including higher trade tariffs, deregulation, and tax changes, all of which could have inflationary implications.

While the Fed aggressively cut rates in September, November, and December, it has signaled fewer cuts in 2025 due to stubbornly high inflation. Higher rates increase the opportunity cost of holding non-yielding bullion.

Silver

On Tuesday, spot silver fell by 0.24 percent, closing at 28.9 per ounce whereas MCX Silver plunged by 0.34 percent and closed at Rs. 87233 kg.

Outlook

Today, gold prices are likely to trade higher in light holiday trading, boosted by slight weakness in U.S. dollar and geopolitical tensions, as investors eyed Federal Reserve's 2025 rate strategy and Trump's tariff policies, which could shape the metal's trajectory next year.

Technical Outlook for 2-Jan-25

BULLION	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX BULLDEX JAN'24	18010	18260	18950	19160
GOLD - FEB'24	76120	76450	77070	77260
SPOT GOLD	2570	2600	2670	2720
SILVER - MAR'24	85090	86050	88840	89770
SPOT SILVER	28.50	29.00	30.00	30.40

Market Highlights (% change)

as on 1st Jan'25

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	85.6	0.09	0.44	1.37	2.50
Euro/\$ (Spot)	88.5	-0.40	0.06	-0.94	-1.86
Dollar Index	108.5	0.33	0.27	2.08	3.19
NIFTY	23644.8	0.00	-0.35	0.81	-3.23
SENSEX	78139.0	-0.14	-0.43	1.03	-2.75

Source: Refinitiv

Market Highlights Gold (% change)

as on 1st Jan'25

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	2623.8	0.71	0.41	0.44	11.01
Gold (Spot - Mumbai)	77275.0	-0.56	0.03	1.41	5.25
Comex	2629.2	0.89	0.35	0.71	11.40
MCX Gold	76748.0	0.64	0.63	2.27	6.01
MCX BULLDEX	18562	0.22	0.08	-0.71	#N/A

(Comex, Gold spot in \$ per ounce, MCX, Gold spot Mumbai in Rs/10 gms) Source: Refinitiv

Market Highlights Silver (% change)

as on 1st Jan'25

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	28.9	-0.24	-2.49	-7.34	-6.22
Silver (Spot - Mumbai)	90525.0	-2.16	-0.96	1.09	-2.87
Comex	28.9	-0.57	-3.45	-7.13	-5.95
MCX Silver	87233.0	-0.34	-2.34	-3.62	-6.17

(Comex in \$ per ounce, MCX, Silver spot in Rs/kg)

Source: Refinitiv

Energy

Crude Oil

The crude prices surged sharply in the previous trading session after data showed China's manufacturing activity expanded in December, but for a second consecutive year oil was on track to end lower due to demand concerns in top consuming countries.

China's manufacturing activity expanded for a third straight month in December but at a slower pace, an official factory survey showed on Tuesday, suggesting a blitz of fresh stimulus is helping to support the world's second-largest economy.

Chinese authorities have also agreed to issue a record 3 trillion yuan (\$411 billion) in special treasury bonds in 2025 to revive economic growth, Reuters reported last week.

While a weak longer-term demand outlook has weighed on prices, they could find short-term support from declining U.S. crude stockpiles, which are expected to have fallen by about 3 million barrels last week.

Both Brent and WTI were buoyed by a larger-than-expected drawdown from U.S. crude inventories in the week ended Dec. 20 as refiners ramped up activity and the holiday season boosted fuel demand.

Outlook

Crude prices are likely to trade higher today in the first day of trade for 2025, as investors returning from holidays cautiously eyed a recovery in China's economy and fuel demand following a pledge by President Xi Jinping to promote growth.

Technical Outlook for 2-Jan-25

Crude	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX CRUDE JAN'24 (RS/BBL)	5930	6090	6250	6370
WTI CRUDE OIL (\$/BBL)	65.30	68.50	74.50	77.80
BRENT CRUDE OIL (\$/BBL)	67.20	70.00	77.70	80.00
MCX NATURAL GAS DEC'24	291	302	324	335

Market Highlight Crude Oil (% change)

as on 1st Jan'25

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	76.5	1.31	1.43	1.50	-13.03
NYMEX CRUDE	71.7	1.03	2.31	3.70	-11.90
ICE BRENT CRUDE	74.6	0.34	1.44	1.83	-11.84
MCX CRUDE	6166.0	0.93	3.11	5.96	-9.72

(Brent & NYMEX Crude in \$ per bbl, MCX Crude in Rs/bbl)

Source: Refinitiv

Market Highlight Natural Gas (% change)

as on 1st Jan'25

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	3.6	-7.70	-7.93	22.20	54.99
MCX NG	268.0	-3.67	-9.89	0.15	33.40

(NYMEX NG in \$/MMBtu, MCX NG in Rs/MMBtu)

Source: Refinitiv

Base Metals

In the previous trading session, base metals traded on a mixed note buoyed by positive macroeconomic news from China combined with a strong dollar index that limited the rise.

Recent fiscal meetings in China have introduced proactive fiscal policies, including raising the budget deficit, to support market expectations of a positive increase in demand for metals.

China will raise its budget deficit ratio, intensify fiscal spending and accelerate expenditure in 2025, the finance ministry said on Tuesday. Furthermore, the country plans to boost fiscal support for consumption next year by raising pensions and medical insurance subsidies for residents and expanding trade-ins for consumer goods, according to the finance ministry's announcement.

Meanwhile, the U.S. dollar index surged sharply which exerted some pressure on copper prices. A stronger dollar makes it more expensive for other currency holders to buy greenback-priced commodities, thus keeping metals prices under pressure.

Outlook

Today, most of the base metals are likely to trade higher, the first trading session of 2025, buoyed by expectations of more proactive Chinese policies to promote growth, although gains were capped by a stronger U.S. dollar.

Technical Outlook for 2-Jan-25

Base metals (Rs/Kg)	SUPPORT		RESISTANCE	
	S2	S1	R1	R2
MCXMETLDEX JAN'24	17040	17250	17870	18050
LME COPPER (\$/TONNE)	8530	8610	8880	8960
COPPER JAN'24	780	785.10	801.90	810.80
ZINC JAN'24	271.10	275.20	282.00	286.70
LEAD JAN'24	170.60	173.60	181.40	185.80
ALUMINIUM JAN'24	235.20	238.40	246.60	252.10

Market Highlights Base Metals (% change) as on 1st Jan'25

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME COPPER (3 MONTH)	8768.0	-1.59	-2.04	-3.36	-11.16
MCX COPPER	795.8	-0.82	0.09	-1.12	-8.42
LME ALUMINIUM (3 MONTH)	2551.5	0.02	-0.53	-2.15	2.20
MCX ALUMINIUM	253.3	0.14	1.14	4.73	9.96
LME NICKEL (3 MONTH)	15328.0	-0.56	-0.96	-2.55	-10.58
MCX NICKEL	1339.2	0.28	0.23	-0.12	-8.43
LME LEAD (3M)	1952.0	0.23	-1.61	-1.96	-11.03
MCX LEAD	176.4	0.00	0.77	-2.05	-6.47
LME ZINC (3 MONTH)	2978.5	-1.34	-2.31	0.91	1.64
MCX ZINC	284.1	0.64	1.12	2.31	4.55

(LME IN \$/Tonne, MCX in Rs/kg)

Source: Refinitiv

LME Inventories in tonnes

COMMODITY	1/1/25	31/12/24	CHG	%CHG
COPPER	287425	272425	15000	5.51%
ALUMINIUM	657150	659650	-2500	-0.38%
NICKEL	162048	163068	-1020	-0.63%
ZINC	248950	251975	-3025	-1.20%
LEAD	249250	250700	-1450	-0.58%

Source: Refinitiv

Economic Indicator to be released on 2-Jan-25

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Unemployment Claims	US	7:00pm	-	222K	219K	High

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