

Bullion

Yesterday, the prices of yellow metal traded higher buoyed by volatility in equities and fresh positioning, while the U.S. Federal Reserve's interest rate outlook remained in focus ahead of trade tariffs proposed by President-elect Donald Trump.

Trump will be sworn in as president of the United States on Jan. 20. His proposed tariffs and protectionist trade policies are expected to be inflationary and could spark trade wars, adding to gold's allure as a safe-haven asset.

With inflation above its 2% target, traders expect the Fed to employ a cautious approach to interest rate cuts in 2025. Investors are also awaiting a slew of U.S. economic data next week to further gauge the interest rate outlook for 2025. High interest rates reduce demand for non-yielding gold.

Silver

On Thursday, both spot silver and MCX Silver surged by more than 2 percent respectively, closing at 29.6 per ounce and Rs. 89173 kg.

Outlook

Today, gold prices are likely to trade higher on account of safe haven flows, with the metal en-route for a weekly gain as attention turned to U.S. President-elect Donald Trump's proposed policy changes that could influence the economic and interest rate outlook going forward.

Technical Outlook for 3-Jan-25

BULLION	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX BULLDEX JAN'24	18110	18560	19050	19260
GOLD - FEB'24	76220	77450	77970	78160
SPOT GOLD	2590	2640	2710	2760
SILVER - MAR'24	87090	88050	90840	91770
SPOT SILVER	29.00	29.50	30.50	30.90

Market Highlights (% change)

 as on 2nd Jan'25

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	85.8	0.24	0.59	1.62	2.69
Euro/\$ (Spot)	88.0	-0.62	-0.57	-1.53	-2.62
Dollar Index	109.4	0.84	1.17	3.00	4.14
NIFTY	24188.7	2.30	1.85	2.85	-0.56
SENSEX	79943.7	2.31	1.87	3.05	0.02

Source: Refinitiv

Market Highlights Gold (% change)

 as on 2nd Jan'25

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	2657.2	1.27	0.86	0.97	12.07
Gold (Spot - Mumbai)	78013.9	0.9	0.03	0.37	5.86
Comex	2658.9	1.13	0.76	1.21	12.09
MCX Gold	77717.0	1.26	1.16	2.82	6.95
MCX BULLDEX	18830	1.44	0.64	0.14	#N/A

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

Market Highlights Silver (% change)

 as on 2nd Jan'25

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	29.6	2.41	-0.75	-5.26	-4.01
Silver (Spot - Mumbai)	90520.0	-0.01	-1.23	-1.10	-4.11
Comex	29.6	2.36	-1.41	-5.08	-3.60
MCX Silver	89173.0	2.22	-0.52	-1.60	-3.94

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

Source: Refinitiv

Energy

Crude Oil

Yesterday, in the 1st trade of 2025, crude prices surged sharply as investors returned from holidays cautiously eyeing a recovery in China's economy and fuel demand following a pledge by President Xi Jinping to promote growth.

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 amid hopes that governments around the world may increase policy support to revive economic growth that would lift fuel demand.

Technical Outlook for 3-Jan-25

Crude	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX CRUDE JAN'24 (RS/BBL)	5990	6110	6450	6570
WTI CRUDE OIL (\$/BBL)	65.30	69.50	77.50	80.80
BRENT CRUDE OIL (\$/BBL)	69.20	72.00	80.70	84.00
MCX NATURAL GAS DEC'24	291	304	329	341

Market Highlight Crude Oil (% change)

 as on 2nd Jan'25

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	78.1	2.04	#N/A	3.27	-11.31
NYMEX CRUDE	73.1	1.97	5.04	5.39	-10.93
ICE BRENT CRUDE	75.9	1.73	3.64	3.57	-10.75
MCX CRUDE	6299.0	2.16	5.40	7.73	-8.15

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

Source: Refinitiv

Market Highlight Natural Gas (% change)

 as on 2nd Jan'25

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	3.7	0.74	-1.48	22.08	57.15
MCX NG	274.7	2.50	-2.55	0.07	39.02

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

Source: Refinitiv

Base Metals

In the previous trading session, base metals traded on a negative note owing to strength seen in the US Dollar Index. However, sharp losses were curbed on back of positive macroeconomic news from China.

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.

Outlook

Today, most of the base metals are likely to trade lower influenced by mixed macroeconomic data from China and the United States. Also, stronger US Dollar Index could add further pressure on the metal prices.

Technical Outlook for 3-Jan-25

Base metals (Rs/Kg)	SUPPORT		RESISTANCE	
	S2	S1	R1	R2
MCXMETLDEX JAN'24	16940	17150	17570	17850
LME COPPER (\$/TONNE)	8630	8710	8980	9060
COPPER JAN'24	780	785.10	804.90	816.80
ZINC JAN'24	267.10	271.20	280.00	286.70
LEAD JAN'24	170.60	173.60	181.40	185.80
ALUMINIUM JAN'24	232.20	237.40	246.60	252.10

Market Highlights Base Metals (% change) as on 2nd Jan'25

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME COPPER (3 MONTH)	8802.5	0.39	-1.65	-3.14	-11.13
MCX COPPER	794.9	-0.11	-0.02	-2.03	-8.50
LME ALUMINIUM (3 MONTH)	2529.0	-0.88	-1.40	-4.37	1.83
MCX ALUMINIUM	240.3	-5.13	-4.05	-1.35	4.96
LME NICKEL (3 MONTH)	15078.0	-1.63	-2.58	-4.97	-10.73
MCX NICKEL	1331.8	-0.55	-0.32	-0.12	-8.81
LME LEAD (3M)	1934.5	-0.90	-2.49	-3.32	-11.24
MCX LEAD	177.3	0.51	1.29	-2.15	-6.02
LME ZINC (3 MONTH)	2927.0	-1.73	-4.00	-0.81	-1.30
MCX ZINC	276.2	-2.78	-1.69	-0.81	0.93

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

Source: Refinitiv

LME Inventories in tonnes

COMMODITY	2/1/25	1/1/25	CHG	%CHG
COPPER	287425	271400	16025	5.90%
ALUMINIUM	634650	639150	-4500	-0.70%
NICKEL	162474	160536	1938	1.21%
ZINC	234100	234900	-800	-0.34%
LEAD	242200	243725	-1525	-0.63%

Economic Indicator to be released on 3-Jan-25

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
ISM Manufacturing PMI	US	8:30pm	-	48.2	48.4	High

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