

# Commodity Morning View

August 01, 2025

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## Index

• Key points .....	2
• Macro .....	2
• Base metals .....	3
• Bullions .....	4
• Energy .....	5

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# All Eyes on US Non-Farm jobs report

## Key Points

- Trump unleashes tariffs
- Trumps extend 90 days exemption to Mexico
- US PCE inflation edged higher 0.3% m/m
- Copper inventories keep on rising at LME
- Dollar index sees first monthly gains for the year

### Events to Watch

Data	Country	Event	Time	Previous	Forecast
01-Aug-2025	US	Change in Nonfarm Payrolls	18:00	147k	109k
01-Aug-2025	US	Nonfarm Payrolls 3-Mo Avg Chg	18:00	150k	--
01-Aug-2025	US	Average Hourly Earnings YoY	18:00	3.70%	3.80%
01-Aug-2025	US	Unemployment Rate	18:00	4.10%	4.20%
01-Aug-2025	US	S&P Global US Manufacturing PMI	19:15	49.5	49.7
01-Aug-2025	US	ISM Manufacturing	19:30	49	49.5
01-Aug-2025	US	ISM Prices Paid	19:30	69.7	70
01-Aug-2025	US	ISM New Orders	19:30	46.4	--
01-Aug-2025	US	Construction Spending MoM	19:30	-0.30%	0.00%
01-Aug-2025	US	U. of Mich. Sentiment	19:30	61.8	61.8

## Macro

- The DJIA, the S&P500, and the Nasdaq Composite Index fell 0.7%, 0.4%, and 0.03% respectively. The Euro Stoxx 50 fell 1.4%. For the month of July, the DJIA, the S&P500, and the Nasdaq Composite Index rose 0.1%, 2.2%, and 3.7% respectively. The Dollar Index posted its first monthly gain for the year and rose 3.2%. EUR-USD fell 370 pips in July. The Dollar Index rose 0.2% to 99.97 and EUR-USD was a touch higher around 1.1420.
- The US 2Y yield rose nearly 2bp to 3.96% and the 10Y yield was flat at 4.37%. The German 10Y yield dipped 1bp to 2.70%. The UK 10Y yield fell 3bp to 4.57%. In July, the US 2Y yield rose 24bp and the 10Y yield rose 15bp. The German and UK 10Y yields rose 9bp and 8bp respectively. Brent crude oil prices fell 1% to USD72.53 and gold rose 0.5% to USD3,290. In July, Brent crude oil prices rose 7.3% while gold fell 0.4%, the first monthly drop this year.
- China's manufacturing sector saw deteriorating operating conditions in July, with the headline PMI falling to 49.5 (below the 50.0 no-change threshold) from 50.4 in June, marking the second deterioration in three months. Sentimentally negative for industrial commodities and metal mining stocks
- Trump signed an executive order imposing reciprocal tariffs between 10% and 41% on U.S. imports from various countries. India's exports to the U.S. face a 25% tariff, Taiwan's 20%, and South Africa's 30%. Additionally, Trump raised tariffs on Canadian goods from 25% to 35%. Sentimentally negative for broader market.
- US PCE price index rose 0.3% in June, its highest in four months, after a 0.2% increase in May, as expected. Goods prices increased by 0.4% and services by 0.2%. The core PCE index, excluding food and energy, matched forecasts with a 0.3% rise, following a 0.2% rise in May. Food prices went up 0.3%, while energy prices rebounded 0.9% after a 1% drop. US core PCE price index rose 0.3%, the largest increase in four months, matching market expectations. Sentimentally negative for risk assets and positive for USD.

- US initial jobless claims rose by 1,000 to 218,000, below market expectations of 224,000 and near a three-month low. Outstanding claims held steady at 1,946,000, slightly down from 2021 highs of over 1,960,000, indicating a robust labor market despite a steady slowdown in hiring.
- Germany's annual inflation rate remained at 2% in July 2025, unchanged from June and above market expectations of 1.9%. Food prices increased to 2.2%, while energy costs decreased less at -3.4%. Service inflation slowed to a three-year low of 3.1%. sentimentally negative for Euro
- Economic Calendar** - China Caixin Manufacturing PMI, EU Inflation Rate, US Non-Farm Payrolls, US Unemployment Rate, US ISM Manufacturing PMI

## Base metals

- Base metals edged lower on Friday as the data from China is started showing adverse effect of trade tariffs, the Caixin mfg index came in at 49.5, its second contraction in three months.
- Manufacturing output declined in July – the second drop since October 2023 – due to slower new order growth and firms utilizing existing stock holdings, leading to a second consecutive monthly fall in post-production inventories. New order growth slowed significantly in July, with overall sales rising only fractionally, while new export orders contracted for the fourth straight month at a faster pace than in June.
- Chinese manufacturers reduced their headcounts in July, driven by falling production, stable backlogs, and cost concerns. Despite the output decline, business sentiment improved in July (though still below the series average), with manufacturers optimistic that better economic conditions and promotions will boost future sales.
- Purchasing activity expanded in July after two months of decline, as some producers increased buying to build inventories amid expectations of future demand growth, leading to a slight rise in purchased stocks.
- Average input prices rose in July for the first time in five months, primarily due to increased raw material costs. Manufacturers lowered their selling prices in July amid intensified market competition, despite the uptick in input costs.
- Export charges increased at the fastest pace in a year in July, driven by rising shipping and logistics costs. Supply chain conditions worsened in July, with manufacturers facing shipment delays and supplier shortages.
- The ICSG copper surplus for first five months remains at 280kt, while Global zinc surplus has shrunk to 88kt due to some declining production from China and Europe.

### Base Metals Monitor

Exchange	Commodity	Expiry	31-Jul-25	Daily Change	Daily % Change	30-Jul-25
LMEX	LMEX	-	4124	-47	-1.13%	4171
LME	Aluminium (\$)	-	2565	-36	-1.38%	2601
LME	Copper (\$)	-	9611	-87	-0.90%	9698
LME	Lead (\$)	-	1970	-22	-1.10%	1992
LME	Nickel (\$)	-	2760	-102	-3.56%	2862
LME	Zinc (\$)	-	2760	-25	-0.90%	2785
MCX	Aluminium	Aug	250.7	-2.9	-1.14%	253.6
MCX	Copper	Aug	876	-21.5	-2.40%	897.5
MCX	Lead	Aug	178	0	0.00%	178
MCX	Nickel	Aug	267.3	0	0.00%	267.3
MCX	Zinc	Aug	265.5	-2.1	-0.78%	267.6

### LME Inventories

Exchange	Commodity	25-Jul-24	25-07-2024 (T.C.W)	Daily Stock change	Daily Canceled warrants	Daily % change stock	Daily % Change C.warrants
LME	Aluminium	450825	15025	2725	-125	0.61%	-0.03%
LME	Copper	128475	18850	3700	-1000	2.97%	-0.80%
LME	Lead	266275	71425	-3050	600	-1.13%	0.22%
LME	Nickel	35840	-53640	-3375	-918	-8.61%	-2.34%
LME	Zinc	115775	54800	-1125	-1125	-0.96%	-0.96%

### SHFE Inventories (tons)

Exchange	Commodity	25-Jul-25	Weekly Stock Change	Weekly % Change Stock	YTD
SHFE	Aluminium	115790	6968	6.40%	-42.45%
SHFE	Copper	73432	-11133	-13.17%	-1.00%
SHFE	Lead	61416	-919	-1.47%	18.52%
SHFE	Nickel	42381	525	1.25%	10.83%
SHFE	Zinc	56419	1789	3.27%	86.60%

**Outlook:** Things are not looking good for industrial metals and as the tariff gets implemented from August, inflation has already showing its fangs in Europe and US, while china's manufacturing have fallen into contraction., while as US is securing trade deal with major partners, but we remain sceptical of the US growth, and tariff would led to economic slowdown. Short term metals looks under selling pressure.

## Bullions

### Bullion Daily Change

Exchange	Commodity	Expiry	31-Jul-25	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	3289	14	0.43%
Comex	Silver (\$)	Spot	36.71	-0.42	-1.13%
MCX	Gold	Oct	98778	-231	-0.23%
MCX	Silver	Sep	109950	-2950	-2.61%
Ratio	Goldsilver ratio	-	89.59	1.39	1.58%
Rupee	USDINR	-	87.630	0.81	0.93%
Dxy	Dollar Index	-	99.96	0.15	0.15%
Bond	US-10 T.Yield	-	4.37	0	0.00%

- Gold held its advance but is set for a weekly loss as Trump announced tariff rates. The US will impose a 10% global minimum and 15% or higher on surplus countries. Spot gold was up 0.1% to \$3,291.46 in Singapore, down 1.4% this week.
- The hawkish comment from US FOMC, expectation of an inflation shooting up in coming quarters, the robust looking US economy, have pushed the rate cuts chances to December meetings. Additional pressure on Gold is expected to come form surging Dollar, which is gaining traction on Trump signing trade deals and forcing trading partners to make investments in US.

- Silver could see some correction due to a larger correction in base metals. The trade optimism and fear of 50% tariffs on copper and threat of tariffs on Mexico has driven rally in silver. We expect silver prices could dip towards Rs 105000 at MCX in coming sessions.

### Outlook:

We expect gold prices to remain under selling pressure, and could test the support of US 3200, the US making trade deals and engaging in trade negotiation with China will have negative impact on gold, while absence of major geo-political rift have also wiped out the risk premiums from Gold.

Comex Gold support: \$3265 /3229 Resistance: \$3335/3350

Silver: Support is at \$ \$36 (Rs 105500) / Resistance is \$39 (Rs 116000).

## Energy

### Energy Price Monitor

Exchange	Commodity	Expiry	31-Jul-25	Change	Daily % Change	30-Jul-25
Nymex	Crude (\$)	Aug	69.26	-0.74	-1.06%	70
Nymex	Natural gas (\$)	May	3.1	0.06	1.97%	3.04
MCX	Crude	July	6059	-113.00	-1.83%	6172
MCX	Natural gas	Aug	272	4.00	1.49%	268

- Oil is set for its biggest weekly gain since mid-June as Trump pressures Russia amid looming US tariffs. WTI held above \$69 a barrel, up 6% for the week, while Brent settled below \$72. Trump threatened penalties on Russia and India over Russian crude and arms deals.

### EIA Inventories

Unit	Commodity	30-Jul-25	23-Jul-25	Weekly Change	Weekly % Change
Million barrel	Crude reserves(MB)	426.69	418.99	7.7	1.84%
Million barrel	Cushing stocks (MB)	22.55	21.86	0.69	3.16%
Million barrel	Gasoline (MB)	228.4	231.12	-2.72	-1.18%
Million barrel	Distillate (MB)	113.53	109.9	3.63	3.30%
Million barrel	US Daily output (MB/d)	13.31	13.27	0.04	0.30%
Million barrel	Implied oil demand (MB/D)	19.80	19.80	0	0.00%
Percent	Capacity utilisation (%)	95.4	95.5	-0.1	-0.10%
Billion cubic feet	Natural gas(Bcf)	3123	3075	48	1.56%

**Outlook:** The demand for crude is likely to hamper due to Asian economies showing sign of slowdown, while US inventories have surged higher, but gasoline demand remained stronger, and the US underlying continue to remain resilient. The US Pushing for secondary sanction on Russia and falling crude production from non OPEC nations will keep prices supportive in medium term. For the day the broader selloff in commodities due to weaker Chinese data could see oil prices under selling pressure.

Crude oil Support: \$67, Resistance \$72.

## Daily Price Monitor

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	<b>Aluminium</b>	Aug	246-24	Sell on rise
MCX	<b>Copper</b>	Aug	842-885	Sell on rise
MCX	<b>Lead</b>	Aug	175-180	Sell on rise
MCX	<b>Nickel</b>	Aug	2200-3	Sell on rise
MCX	<b>Zinc</b>	Aug	252-268	Sell on rise
MCX	<b>Gold</b>	Aug	96200-99750	Sell on rise
MCX	<b>Silver</b>	Sept	106000-113000	Sell on rise
MCX	<b>Crude</b>	Aug	5900-6200	Sell on rise
MCX	<b>Natural gas</b>	Aug	245-290	Buy on dip
Comex	<b>Gold</b>	Spot	\$3250-\$3320	Sell on rise
Comex	<b>Silver</b>	Spot	\$36.-\$37.75	Sell on rise
Nymex	<b>Crude oil</b>	Sept	\$66-\$71	Sell on rise

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Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

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Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: [complianceofficer@sharekhan.com](mailto:complianceofficer@sharekhan.com)

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