

# Commodity Morning View

November 03, 2025

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# Chinese factory activities growth eased in October

## Key Points

- OPEC+ to halt restoration in 2026
- OPEC fear supply glut
- Eurozone Oct inflation eases
- China scraps gold tax rebates
- China official Mfg contracts to six months low

### Events to Watch

Data	Country	Event	Time	Previous	Forecast
03-Nov	CH	RatingDog China PMI Mfg	7:15	51.2	50.7

## Macro

- The DJIA, the S&P500, and the Nasdaq Composite Index rose 0.1%, 0.3%, and 0.6% respectively last Friday. For the week, the three indexes rose 0.8%, 0.7%, and 2.2% respectively. The Dollar Index rose 0.3% to 99.80 last Friday and gained 0.9% last week. EUR-USD fell 30 pips to 1.1540 last Friday and dropped 90 pips for the week
- The US 2Y yield fell 3.5bp to 3.57% last Friday but gained 9bp last week. The 10Y yield fell 2bp to 4.08% last Friday but rose 8bp for the week. Brent crude oil prices edged up 0.1% to USD65.07 last Friday but dropped 1.3% last week. Gold fell 0.5% to USD4,003 last Friday and dropped 2.7% for the week.
- China's manufacturing activity grew less than expected in October, signalling weaker economic momentum as 2025 ends. The Rating Dog China General Manufacturing PMI fell to 50.6 from 51.2 in September,. Business confidence dropped to a six-month low, with new business and output expanding at weaker rates than in September, while job creation accelerated to its fastest pace in over two years due to "the sustained rise in new work inflows. Negative for industrial commodities
- Eurozone CPI slipped to 2.1% y/y in Oct from 2.2% in Sep, according to a preliminary estimate by the Eurostat. Core inflation stayed at 2.4% in Oct, against expectation of a slide to 2.3%. positive for Euro
- White House announced Saturday that China will lift export controls on rare earths and end probes into U.S. semiconductor firms under a new trade pact. China will issue general export licenses for key materials, reversing previous curbs. In exchange, the U.S. will pause certain tariffs and cancel a planned levy on Chinese goods. China will halt restrictions on rare-earth magnets, while the U.S. eases some curbs on Chinese firms. Additionally, China pledged to buy 12 million metric tons of soybeans this season and 25 million tons annually for three years. The pact aims to reduce trade tensions affecting global markets. Positive for broader market.

## Base metals

- The outlook is cautiously positive in the medium term: Rare earths resumption could stabilize copper and aluminium prices (LME index +18% YTD, copper +25%), supporting EV/renewables, However, short-term sentiment remains negative, with China's slowing business activity (PMI 49.0 in October, 6-month low) and US slowdown (1.5–1.9% Q3 GDP) capping gains.
- Copper falls in the Asian session, with the three-month copper contract on the London Metal Exchange retreating 0.3% to \$10,859.50 a ton. Disappointing economic data from China has raised concerns of weaker demand. The industrial metal has drifted from its record high of \$11,200 reached last week.

- Lead and Copper weightage has been increased in Bloomberg Commodity index for next year, Copper prices may find support from index-tracking funds. Copper's weighting has been raised from 5.37% to 6.36%.
- The trade agreement between US-China is more a tactical pause to avoid the 90-days trade truce which is to be ended on November 10. The negotiation falls short of reaching any comprehensive agreement that addresses issues at the heart of the US-China economic competition. Sentimentally negative for broader markets.

#### Base Metals Monitor

Exchange	Commodity	Expiry	31-Oct-25	Daily Change	Daily % Change	30-Oct-25
LMEX	LMEX	-	4620.6	5.6	0.12%	4615
LME	Aluminium (\$)	-	2884	21	0.73%	2863
LME	Copper (\$)	-	10887.5	-29.5	-0.27%	10917
LME	Lead (\$)	-	2017	-5	-0.25%	2022
LME	Nickel (\$)	-	15226	-4	-0.03%	15230
LME	Zinc (\$)	-	3055.5	18.5	0.61%	3037
MCX	Aluminium	Nov	271.8	1.45	0.54%	270.35
MCX	Copper	Nov	1010.85	-1.15	-0.11%	1012
MCX	Lead	Nov	183.35	0.05	0.03%	183.3
MCX	Nickel	Nov	1305.7	-11.3	-0.86%	1317
MCX	Zinc	Nov	300.6	0.5	0.17%	300.1

#### LME Inventories

Exchange	Commodity	24-Oct-25	24-10-2025 (T.C.W)	Daily Stock change	Daily Canceled warrants	Daily % change stock	Daily % Change C.warrants
LME	Aluminium	470950	65400	-2175	-2075	-0.46%	-0.44%
LME	Copper	135850	10150	-500	-200	-0.37%	-0.15%
LME	Lead	236875	158900	1500	0	0.64%	0.00%
LME	Nickel	230904	6204	-600	-600	-0.26%	-0.26%
LME	Zinc	36600	8800	-1000	-1000	-2.66%	-2.66%

#### SHFE Inventories (tons)

Exchange	Commodity	31-Oct-25	Weekly Stock Change	Weekly % Change Stock	YTD
SHFE	Aluminium	113574	-4594	-3.89%	-43.55%
SHFE	Copper	116140	11348	10.83%	56.58%
SHFE	Lead	35999	-334	-0.92%	-30.53%
SHFE	Nickel	37731	1656	4.59%	-1.33%
SHFE	Zinc	103416	-5752	-5.27%	242.03%

**Outlook:** Base metals remain under pressure as the US and China face economic slowdowns in 2026, with US GDP projected at 1.7% and China at 4.2% (IMF forecasts), curbing industrial demand; global growth at 2.8% (down from 3.3% in 2024) adds headwinds.

## Bullions

### Bullion Daily Change

Exchange	Commodity	Expiry	31-Oct-25	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	4002.92	-34.08	-0.84%
Comex	Silver (\$)	Spot	48.6894	-0.2306	-0.47%
MCX	Gold	Dec	121232	-148	-0.12%
MCX	Silver	Dec	148287	-363	-0.24%
Ratio	Goldsilver ratio	-	82.21	20.13	32.43%
Rupee	USDINR	-	88.771	0.11	0.13%
Dxy	Dollar Index	-	99.8	0.28	0.28%
Bond	US-10 T.Yield	-	4.07	-0.02	-0.49%

- Gold hovered around \$4,000 /oz on Fri as investors weighed a US-China trade truce. In Oct, the bullion rose as much as 13% to a new record high of \$4,381 /oz before paring back over two-thirds of the gains to close the month at \$4,003 /oz as investors took profit off the year-to-date strong rally.
- China scrapped a long-standing tax rebate for some retailers, a move expected to weaken demand in one of the world's largest precious-metals markets, now companies can offset only 6% of the input value-added tax when selling gold to downstream entities, instead of offsetting 13% of cost as before. Negative for Gold demand.

### Outlook:

We maintain a bullish outlook for gold and silver into 2026, The ongoing US-China trade negotiations, with the Xi-Trump summit concluded on October 30, 2025, reaffirm our view that persistent geopolitical unpredictability between these nations will continue to drive precious metal prices higher.

## Energy

### Energy Price Monitor

Exchange	Commodity	Expiry	31-Oct-25	Change	Daily % Change	30-Oct-25
Nymex	Crude (\$)	Dec	60.98	0.41	0.68%	60.57
Nymex	Natural gas (\$)	Nov	4.12	0.16	4.04%	3.96
MCX	Crude	Nov	5422	30.00	0.56%	5392
MCX	Natural gas	Nov	365	16.60	4.76%	348.4

- Oil pared gains after President Trump denied that he was planning a military strike on Venezuela. Also weighing on prices are expectations of another modest output increase by OPEC+ in its Sun meeting. WTI for Dec delivery rose 0.7% to settle at \$60.98 /bbl while Jan's Brent gained 0.6% to settle at \$64.77 /bbl.
- OPEC+ said it would revive 137,000 barrels a day of halted production in Dec. The level would maintain the pace of small increases already announced for Oct and Nov.

## EIA Inventories

Unit	Commodity	30-Oct-25	23-Oct-25	Weekly Change	Weekly % Change
Million barrel	Crude reserves(MB)	415.96	422.8	-6.84	-1.62%
Million barrel	Cushing stocks (MB)	22.56	22	0.56	2.55%
Million barrel	Gasoline (MB)	210.73	216.7	-5.97	-2.75%
Million barrel	Distilate (MB)	112.18	115.6	-3.42	-2.96%
Million barrel	US Daily output (MB/d)	13.64	13.629	0.011	0.08%
Million barrel	Implied oil demand (MB/D)	8.92	8.45	0.47	5.56%
Percent	Capacity utilisation (%)	86.6	85.7	0.9	1.05%
Billion cubic feet	Natural gas(Bcf)	3808	3641	167	4.59%

**Outlook:** Short-term bullish momentums appear to have faded, and the overhand of supply glut will keep oil prices under pressure, the news of OPEC looking to raise output further have already dampened sentiments. we expect WTI to avg \$56 by end of yr, while broader trading would remain in \$58-\$63.

## Daily Price Monitor

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	Aluminium	Nov	268-274	Sell on rise
MCX	Copper	Nov	995-1025	Sell on rise
MCX	Lead	Nov	180-186	Sell on rise
MCX	Nickel	Nov	2200-3	Sell on rise
MCX	Zinc	Nov	294-304	Sell on rise
MCX	Gold	Dec	119500-122500	Sell on rise
MCX	Silver	Dec	144500-149000	Sell on rise
MCX	Crude	Nov	5200-5500	Sell on rise
MCX	Natural gas	Oct	335-385	Buy on dips
Comex	Gold	Spot	\$3925-\$4100	Sell on rise
Comex	Silver	Spot	\$47-\$49.95	Sell on rise
Nymex	Crude oil	Dec	\$58-\$62	Sell on rise

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