

Commodity Morning View

August 04, 2025

Index

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

Visit us at www.sharekhan.com

MIRAE ASSET Sharekhan

Fed's September rate cuts optimism drives gold higher

Key Points

- Trump fires US labour stats officer
- US bond yields retreats
- US ISM mfg contracts in July
- US ISM services in focus

Events to Watch

Data	Country	Event	Time	Previous	Forecast
04-Aug-25	USD	CB Employment Trends Index (Jul)	18:00	107.83	-
04-Aug-25	USD	Durables Excluding Defense (MoM) (Jun)	18:00	-9.40%	-9.40%
04-Aug-25	USD	Durables Excluding Transport (MoM) (Jun)	18:00	0.20%	-
04-Aug-25	USD	Factory Orders (MoM) (Jun)	18:00	8.20%	-4.90%
04-Aug-25	USD	Factory orders ex transportation (MoM) (Jun)	18:00	0.20%	-

Macro

- The DJIA, the S&P500, and the Nasdaq Composite Index fell 1.2%, 1.6%, and 2.2% respectively last Friday. For the week, the three indexes fell 2.9%, 2.4%, and 2.2% respectively. The Euro Stoxx 50 fell 2.9% last Friday and down 3.5% for the week.
- The Dollar Index snapped a 6-day winning streak and fell 0.8% to 99.14 last Friday. It still managed to gain 1.5% for the week. EUR-USD jumped 170 pips to 1.1590 last Friday but fell 160 pips for the week. The US 2Y yield collapsed over 27bp to 3.68% last Friday and down 24bp for the week. The US 10Y yield fell 16bp to 4.22% last Friday and down 17bp for the week.
- The German 10Y yield fell 2bp to 2.68% last Friday and down 4bp for the week. The UK 10Y yield fell 4bp to 4.53% last Friday and down 11bp for the week. Brent crude oil prices fell nearly 4% to USD69.67 last Friday but was still up 1.8% for the week. Gold jumped 2.2% to USD3,363 last Friday and gained 0.8% for the week.
- US nonfarm payrolls (NFP) rose by 73k in July, well below estimates of 104k, while coming alongside sharp downward revision for the June (-133k) and May (-125k) readings, suggesting that labour markets may be cooling more rapidly than earlier expected. ISM manufacturing PMI also declined to 48 in July (consensus: 48.5; June: 49.0), as factory activity slipped deeper into contraction. The weak hiring of July and contraction in factory activities have raised the expectation of US Fed rate cuts to September. Overall data is sentimentally negative for risk assets.
- OPEC+ will raise production again in September, by 547,000 barrels a day. This completes the reversal of the 2.2mn cutback made in 2023, the move marks the full and early reversal of OPEC+ largest tranches of output cuts plus a separate increase for UAE. Overall negative for crude oil prices.
- **Datawatch:** US economic data this week will be closely watched, and key releases include factory orders, durable goods orders, ISM services and wholesale inventories.

Base metals

- The macro-economic outlook is not giving any pleasant signals for base metals demand to improve in near future, with reciprocal tariffs getting implemented from August onwards will have further negative impact on the factory

activities. The US ISM mfg index showed contraction, China's official mfg. index along with S&P Caixin mfg contracted in July is negative for metals. The inflation is showing sign of shooting up in US and Eurozone

- The ISM manufacturing index decreased 1 point to 48 index points in July, below the 49.5 points expected by the market. The employment sub index slid to the lowest level in more than five years, with new orders also falling for the sixth straight month
- Macro-wise, the US July non-farm payrolls grew by only 73,000, and the July ISM manufacturing PMI fell to 48. The weaker-than-expected data dragged down the US dollar index, boosting LME copper. Fundamentally, tight spot order supply and invoice volatility restricted circulation, strengthening suppliers' reluctance to budge on prices and maintaining market tension. Demand side, despite copper price corrections, they remained elevated, coupled with off-season factors, resulting in sluggish demand. Overall, fundamentals showed weak supply and demand, limiting upside potential for copper prices today.
- Overall, domestically, the favourable macro atmosphere remains unchanged, and the "anti-rat race" sentiment has dissipated. Attention will now turn to the impact of the Sino-US negotiation results. On the fundamental side, with the release of supply increments and the suppression of consumption during the off-season, the expectation of inventory buildup remains strong.

Base Metals Monitor

Exchange	Commodity	Expiry	1-Aug-25	Daily Change	Daily % Change	31-Jul-25
LMEX	LMEX	-	4132	8	0.19%	4124
LME	Aluminium (\$)	-	2566	1	0.04%	2565
LME	Copper (\$)	-	9630	19	0.20%	9611
LME	Lead (\$)	-	1971	1	0.05%	1970
LME	Nickel (\$)	-	2727	-33	-1.20%	2760
LME	Zinc (\$)	-	2727	-33	-1.20%	2760
MCX	Aluminium	Aug	249.45	-1.25	-0.50%	250.7
MCX	Copper	Aug	880	4	0.46%	876
MCX	Lead	Aug	178	0	0.00%	178
MCX	Nickel	Aug	267.3	0	0.00%	267.3
MCX	Zinc	Aug	261.95	-3.55	-1.34%	265.5

LME Inventories

Exchange	Commodity	31-Jul-25	31-07-2025 (T.C.W)	Daily Stock change	Daily Canceled warrants	Daily % change stock	Daily % Change C.warrants
LME	Aluminium	462800	13500	1775	-525	0.39%	-0.11%
LME	Copper	144750	14275	6550	-2700	4.74%	-1.95%
LME	Lead	273450	72950	-3050	600	-1.10%	0.22%
LME	Nickel	35240	-53640	-3975	-918	-10.14%	-2.34%
LME	Zinc	100825	43750	-3975	-3975	-3.79%	-3.79%

SHFE Inventories (tons)

Exchange	Commodity	1-Aug-25	Weekly Stock Change	Weekly % Change Stock	YTD
SHFE	Aluminium	117527	1737	1.50%	-41.58%
SHFE	Copper	72552	-880	-1.20%	-2.18%
SHFE	Lead	61387	-29	-0.05%	18.46%
SHFE	Nickel	42906	525	1.24%	12.20%
SHFE	Zinc	58724	2305	4.09%	94.22%

Outlook: Short-Term: Bearish for base metals. Weak factory activity and trade tensions are likely to suppress demand. Medium-Term: Depends on policy responses—stimulus measures, easing of tariffs, or infrastructure spending could provide support. Short term metals looks under selling pressure.

Bullions

Bullion Daily Change

Exchange	Commodity	Expiry	1-Aug-25	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	3363	74	2.25%
Comex	Silver (\$)	Spot	37.03	0.32	0.87%
MCX	Gold	Oct	99735	957	0.97%
MCX	Silver	Sep	110190	240	0.22%
Ratio	Goldsilver ratio	-	90.81	1.22	1.36%
Rupee	USDINR	-	87.630	0.00	0.00%
Dxy	Dollar Index	-	99.14	-0.82	-0.82%
Bond	US-10 T.Yield	-	4.21	-0.16	-3.66%

- Gold rose on Fri amid a weaker USD and rising geopolitical tensions. President Trump said the US is moving two nuclear submarines to respond to “provocative” statements from former Russian President Dmitry Medvedev. The bullion jumped 2.2% - the biggest gain in two months - to close at \$3,363.48.
- The US yield curve shifted lower, with the 2-10-year yield spread increasing to above 50 basis points for the first time since early July. The 2-year US bond yield declined 28 basis points (by more than an entire 25 basis point cut) to 3.68%, while the 10-year US bond yield declined 16 basis points to 4.22%. Interest-rate futures now have an 87% chance of a September US Fed cut, up from 40% before the release of the jobs report.
- 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:

The sudden shift in rate cuts expectation has somewhat repriced the bonds markets in US and expect gold to see some buying activities due to rate cut optimism.

Comex Gold support: \$3300 /33320 Resistance: \$3385/3400

Silver: Support is at \$ 36 (Rs 105500) / Resistance is \$37.5 (Rs 112500).

Energy

Energy Price Monitor

Exchange	Commodity	Expiry	1-Aug-25	Change	Daily % Change	31-Jul-25
Nymex	Crude (\$)	Aug	67.33	-1.93	-2.79%	69.26
Nymex	Natural gas (\$)	May	3.08	-0.02	-0.65%	3.1
MCX	Crude	July	5881	-178.00	-2.94%	6059
MCX	Natural gas	Aug	272	0.00	0.00%	272

- Oil prices tumbled on Fri as weak US data and the latest tariff announcements spurred renewed concerns on energy demand. In all, WTI and Brent both fell 2.8% to \$67.33 /bbl and \$69.67 /bbl respectively. On Sun, OPEC+ agreed to increase its supply by 547,000 bpd in Sep, completing the reversal of a 2.2 Mn-barrel cutback made in 2023.

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 downturn in factory activities in China and other major manufacturing hubs have already seeing weakness in oil demand, while OPEC raising output by 0.548mbpd from September has completely phased out the production cuts of 2.2mbpd. The group expect sanctions on Russia could impact the supplies hence have raised the output to balance the market. For the day the broader selloff in commodities due to weaker Chinese data could see oil prices under selling pressure. Crude oil Support: \$65, Resistance \$70.

Daily Price Monitor

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	Aluminium	Aug	246-254	Sell on rise
MCX	Copper	Aug	865-885	Sell on rise
MCX	Lead	Aug	175-180	Sell on rise
MCX	Nickel	Aug	2200-3	Sell on rise
MCX	Zinc	Aug	255-266	Sell on rise
MCX	Gold	Aug	98750-101000	Buy on dip
MCX	Silver	Sept	106000-113000	Sell on rise
MCX	Crude	Aug	5700-6050	Sell on rise
MCX	Natural gas	Aug	265-290	Buy on dip
Comex	Gold	Spot	\$3320-\$3385	Buy on dip
Comex	Silver	Spot	\$36-\$37.75	Sell on rise
Nymex	Crude oil	Sept	\$65-\$70	Sell on rise

DISCLAIMER

This information/document has been prepared by Sharekhan Ltd. and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited. This information/ document is subject to change without prior notice.

Recommendation in reports based on technical and derivatives analysis is based on studying charts of a stock's price movement, trading volume, and outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply to information/documents focused on technical and derivatives research and shall not apply to reports/documents/information focused on fundamental research.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. Mirae Asset Sharekhan will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("Mirae Asset Sharekhan and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Mirae Asset Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this recommendations/report.

This information/recommendation/report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Mirae Asset Sharekhan and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restrictions.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in the securities of the company and that all the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of Mirae Asset Sharekhan. The analyst and Mirae Asset Sharekhan further certifies that either he or his relatives or Mirae Asset Sharekhan associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report. The analyst and Mirae Asset Sharekhan encourage independence in research report/ material preparation and strive to minimize conflict in the preparation of the research report. The analyst and Mirae Asset Sharekhan do not have any material conflict of interest or have not served as officers, directors or employees or engaged in market-making activity of the company. The analyst and Mirae Asset Sharekhan have not been a part of the team which has managed or co-managed the public offerings of the company, and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Ltd, or its associates, or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from a third party in the past twelve months in connection with the research report.

Either Mirae Asset Sharekhan or its affiliates or its directors or employees/representatives/clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. Mirae Asset Sharekhan may from time to time solicit from, or perform investment banking or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall Mirae Asset Sharekhan, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Sharekhan Ltd and its affiliates undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader/investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgment before taking any investment decision.

Investment in securities market are subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Mirae Asset Sharekhan has been ranked as India's No.1 Retail Broker by Asiamoney Brokers Poll 2023. For more details, visit bit.ly/AsiamoneyPoll

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com

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.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE - 748, NSE - 10733, MCX - 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

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

For any complaints/ grievances, email us at igc@sharekhan.com, or you may even call the Customer Service desk on 022-41523200/ 022-61151111.