

# Commodity Morning View

December 04, 2025

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# Outbound Surge in LME Copper Stocks Pushes Prices Higher

## Key Points

- Copper surge 3% on Wednesday
- Natural gas jumps to 3 years high
- US Gasoline demand drops
- Indian rupee headed for further slide
- US ADP data showed 32K job loss
- US Weekly jobless claims in focus

### Events to Watch

| Data   | Country | Event  | Time  | Previous | Forecast |
|--------|---------|--|-------|----------|----------|
| 04-Dec | USD     | Initial Jobless Claims                       | 19:00 | 220K     | 216K     |
| 04-Dec | USD     | Durables Excluding Defense (MoM) (Sep)       | 20:30 |          | 0.10%    |
| 04-Dec | USD     | Durables Excluding Transport (MoM) (Sep)     | 20:30 |          | 0.60%    |
| 04-Dec | USD     | Factory Orders (MoM) (Sep)                   | 20:30 |          | 1.40%    |
| 04-Dec | USD     | Factory orders ex transportation (MoM) (Sep) | 20:30 |          | 0.10%    |
| 04-Dec | EUR     | ECB's Lane Speaks                            |       |          |          |
| 04-Dec | USD     | Natural Gas Storage                          |       |          | -11B     |

## Macro

- India Inc: The rupee's drop past 90 per dollar to a record low mark a break in the Reserve Bank of India's support while investment-driven precious-metal demand and GST cuts is feeding the slide. India's trade deficit widened to a record \$41.7 billion in October, up from \$26.7 billion in August driven by surge in gold and silver imports to \$17.4 billion in October, from \$5.9 billion in August. November GST collected on imported goods rose 8% year on year in November the first full month reflecting October's lower rates while domestic GST revenues fell 7.6%. Rupee weakness may aid exporters ahead, but investment demand for gold and silver — amplified by uncertainty — risks keeping the currency under pressure.
- The DJIA, the S&P500, and the Nasdaq Composite Index rose 0.9%, 0.3%, and 0.2% respectively. The Eurostoxx 50 rose 0.2%. The Dollar Index fell 0.5% to 98.85. EUR-USD rose 50 pips to 1.1670.
- The US 2Y yield fell 2.5bp to 3.48% while the 10Y yield dropped 2bp to 4.06%. The German 10Y yield was flat at 2.75%. The UK 10Y yield fell 2bp to 4.45%. The Fed funds futures are pricing in 95% chance of a 25bp cut at the 9-10 December meeting. They are pricing in a total cut of 63bp by June-2026 and 91bp by December-2026. Brent crude oil prices rose 0.4% to USD62.67. Gold edged down 0.1% to USD4,203.
- US ADP data saw employers slashing 32k jobs in November (consensus: +10k; October: +47k), its biggest decline since March 2023, led by a 120k drop for small firms. The ISM services PMI edged up to 52.6 in November (consensus: 52.0; October: 52.4), pointing to strongest services sector growth since 1Q2025, bolstered by resilient new orders and business activity, though tariffs and the government shutdown also had an impact on sentiment. Sentimentally positive for Gold

- Global copper prices rallied 3.1% to a record \$11,540 a tonne on the LME as surging warehouse withdrawals and potential US tariffs stoked supply-squeeze fears, with the benchmark up over 30% this year amid major mine outages. Positive for copper miners.
- Data watch: US initial jobless claims which are expected to tick up to 220k in the week of 29 Nov from 216k in the prior week. Fed Vice Chair for supervision Bowman is due to speak on bank supervision and regulation.

## Base metals

- Base metals edged higher lead by sharp gains in Copper and Aluminum prices which saw LME 2.34% gains on Wednesday.
- LME Copper prices hit a fresh record high in London, driven by concerns over tightening global supply and large volumes (50kt) of the metal being shipped into the U.S. ahead of potential new tariffs. Copper was up 3.1% to settle at \$11,487.00 a ton on the LME.
- Copper rises in Asian trade. Bullish copper positioning continues to recover modestly, Meanwhile, copper's pullback on Tuesday was likely more of an orderly pause. LME Copper inventories rose 2375 tons on Tuesday. The Copper cash to futures spread in China remains stable at \$31/t, while in London trades around \$70/t showing short term tightness.

### Base Metals Monitor

| Exchange | Commodity      | Expiry | 3-Dec-25 | Daily Change | Daily % Change | 2-Dec-25 |
|----------|----------------|--------|----------|--------------|----------------|----------|
| LMEX     | LMEX           | -      | 4809     | 110          | 2.34%          | 4699     |
| LME      | Aluminium (\$) | -      | 2897     | 32           | 1.12%          | 2865     |
| LME      | Copper (\$)    | -      | 11487    | 342          | 3.07%          | 11145    |
| LME      | Lead (\$)      | -      | 1999     | 4            | 0.20%          | 1995     |
| LME      | Nickel (\$)    | -      | 14873    | 73           | 0.49%          | 14800    |
| LME      | Zinc (\$)      | -      | 3065     | 3            | 0.10%          | 3062     |
| MCX      | Aluminium      | Dec    | 278.3    | 4            | 1.46%          | 274.3    |
| MCX      | Copper         | Dec    | 1076     | 29.9         | 2.86%          | 1046.1   |
| MCX      | Lead           | Dec    | 182.95   | 0.1          | 0.05%          | 182.85   |
| MCX      | Nickel         | Dec    | 1308     | 0            | 0.00%          | 1308     |
| MCX      | Zinc           | Dec    | 309.1    | 3.25         | 1.06%          | 305.85   |

**Outlook:** The industrial commodities may see short term rally in anticipation of rate cuts from US Fed, but the BOJ rate hike could trigger selloff in global market that could dampen global sentiments. The santa clause rally in metals may continue to the third week of December and we advise buying the dips in short term.

# Bullions

## Bullion Daily Change

| Exchange | Commodity        | Expiry | 3-Dec-25 | Daily Change | Daily % Change |
|----------|------------------|--------|----------|--------------|----------------|
| Comex    | Gold (\$)        | Spot   | 4203     | -2.85        | -0.07%         |
| Comex    | Silver (\$)      | Spot   | 58.5     | 0.04         | 0.07%          |
| MCX      | Gold             | Dec    | 130350   | 650          | 0.50%          |
| MCX      | Silver           | Dec    | 182150   | 640          | 0.35%          |
| Ratio    | Goldsilver ratio | -      | 71.85    | -0.10        | -0.14%         |
| Rupee    | USDINR           | -      | 90.200   | 0.38         | 0.42%          |
| Dxy      | Dollar Index     | -      | 98.85    | -0.5         | -0.50%         |
| Bond     | US-10 T.Yield    | -      | 4.06     | -0.02        | -0.49%         |

- Gold prices were tad lower on Wednesday, and we expect yellow metals to trade range bound ahead of the US FOMC scheduled next week. Market has prices in 25 bps rate cuts, but the guidance of fed would decide the future course of actions. On the physical demand side global central banks October data showed net buying of 53 tons up by 36% yoy, signalling the trend to continue in 2026 as well.
- Silver rose for eight straight days through Wednesday, supported by speculative wagers linked to supply tightness and expectations for lower borrowing costs in the US. Silver has surged for eight consecutive sessions, gaining about 17% and 21% over the past month, driven by supply tightness and expectations of lower U.S. borrowing costs. A historic October squeeze caused record flows into London vaults, fuelling global scarcity. COMEX inventories have dropped 30% year-to-date, while SHFE stocks plunged 60%, including a 52% collapse in the last two months, hitting decade lows. Heavy drawdowns in London continue to support strong U.S. and Indian demand. Meanwhile, speculative bets and ETF inflows amplify price momentum amid constrained liquidity, creating conditions for potential volatility.

## Outlook:

Bullion expected to remain in the driver's seat on expectation of US Fed rate cuts, while risk of Japan's rate hike is also poses a risk of global risk assets melt down due to yen carry trade risk. markets are pricing in a near-certain Bank of Japan rate hike at the December 18-19 meeting,

Gold support \$4125 Resistance \$4245/4275.

Silver support \$55-Resistance \$60.

## Energy

### Energy Price Monitor

| Exchange | Commodity        | Expiry | 3-Dec-25 | Change | Daily % Change | 2-Dec-25 |
|----------|------------------|--------|----------|--------|----------------|----------|
| Nymex    | Crude (\$)       | Jan    | 58.95    | 0.31   | 0.53%          | 58.64    |
| Nymex    | Natural gas (\$) | Dec    | 4.99     | 0.15   | 3.10%          | 4.84     |
| MCX      | Crude            | Dec    | 5358     | 43.00  | 0.81%          | 5315     |
| MCX      | Natural gas      | Dec    | 449      | 12.00  | 2.75%          | 437      |

- Oil edged higher as US–Russia talks failed to yield a Ukraine deal, stoking concerns that Russian supply restrictions could persist, with WTI up 0.5% to settle near \$59 within this week's tight range after the Kremlin called talks with envoys Steve Witkoff and Jared Kushner “constructive” but confirmed no agreement.
- Natural gas demand is seen surging in the norther hemispherical countries as Forecasts for a frigid December have lifted natural-gas futures to their highest price in three years. Futures for January delivery traded above \$5 per million British thermal units today for the first time since December 2022, Futures prices are now up more than 60% compared with a year ago. Expect some increased volatility in natural gas due to changing weather forecast but overall trend would remain buy on dips as stronger winter is expected this season.

### EIA Inventories

| Unit               | Commodity                 | 3-Dec-25 | 27-Nov-25 | Weekly Change | Weekly % Change |
|--------------------|---------------------------|----------|-----------|---------------|-----------------|
| Million barrel     | Crude reserves(MB)        | 427.5    | 426.92    | 0.58          | 0.14%           |
| Million barrel     | Cushing stocks (MB)       | 21.29    | 21.75     | -0.46         | -2.11%          |
| Million barrel     | Gasoline (MB)             | 214.42   | 209.9     | 4.52          | 2.15%           |
| Million barrel     | Distillate (MB)           | 114.28   | 112.2     | 2.08          | 1.85%           |
| Million barrel     | US Daily output (MB/d)    | 13.81    | 13.81     | 0             | 0.00%           |
| Million barrel     | Implied oil demand (MB/D) | 8.30     | 8.72      | -0.42         | -4.82%          |
| Percent            | Capacity utilisation (%)  | 94.6     | 92.3      | 2.3           | 2.49%           |
| Billion cubic feet | Natural gas(Bcf)          | 3935     | 3935      | 0             | 0.00%           |

**Outlook:** The inventory data shows drop in US gasoline demand while global crude market is already in surplus of 1.5mbpd and is expected to head towards 2mbpd by H2-2026, while prices may see short term support due to renewed geo-political concerns over Venezuela, Ukraine and Russia, that could see crude oil rallying towards \$61.

## Daily Price Monitor

| Exchange | Commodity          | Expiry | Daily trading range | Trend       |
|----------|--------------------|--------|---------------------|-------------|
| MCX      | <b>Aluminium</b>   | Dec    | 274-282             | Buy on dips |
| MCX      | <b>Copper</b>      | Dec    | 1050-1085           | Buy on dips |
| MCX      | <b>Lead</b>        | Dec    | 178-183             | Buy on dips |
| MCX      | <b>Nickel</b>      | Dec    | 2200-308            | Buy on dips |
| MCX      | <b>Zinc</b>        | Dec    | 305-312             | Buy on dips |
| MCX      | <b>Gold</b>        | Feb    | 128500-131500       | Buy on dips |
| MCX      | <b>Silver</b>      | Mar    | 180000-187000       | Buy on dips |
| MCX      | <b>Crude</b>       | Dec    | 5200-5450           | Buy on dips |
| MCX      | <b>Natural gas</b> | Dec    | 425-465             | Buy on dips |
| Comex    | <b>Gold</b>        | Spot   | \$4152-\$4285       | Buy on dips |
| Comex    | <b>Silver</b>      | Spot   | \$57-\$61           | Buy on dips |
| Nymex    | <b>Crude oil</b>   | Jan    | \$58-\$60.50        | Buy on dips |

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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.

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