

# Commodity Morning View

December 05, 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 September's core-PCE today

## Key Points

- Cautious trading ahead of FOMC meeting next week.
- Initial jobless claims unexpectedly fell 27k
- Silver retreats on profit booking
- Weather condition drives Nat Gas
- German factory order & Eurozone GDP in focus

### Events to Watch

Data	Country	Event	Time	Previous	Forecast
05-Dec	EUR	GDP (YoY)	15:30	1.40%	1.50%
05-Dec	EUR	GDP (QoQ) (Q3)	15:30	0.20%	0.20%
05-Dec	USD	Core PCE Price Index (MoM) (Sep)	20:30	0.20%	0.20%
05-Dec	USD	Core PCE Price Index (YoY) (Sep)	20:30	2.90%	2.90%
05-Dec	USD	Michigan Consumer Sentiment (Dec)	00:30	--	51

## Macro

- The DJIA edged down 0.1%, the S&P500 and the Nasdaq Composite Index rose 0.1% and 0.2% respectively. The Eurostoxx 50 rose 0.4%. The Dollar Index edged up 0.1% to 98.99. EUR-USD fell 30 pips to 1.1640.
- The US 2Y yield rose 4bp to 3.52% while the 10Y yield gained 3.5bp to 4.10%. The German 10Y yield rose 2bp to 2.77%. The UK 10Y yield edged down 1bp to 4.44%. Brent crude oil prices rose 0.9% to USD63.26. Gold edged up 0.1% to USD4,208
- Global Macro: US labour data fared mixed. The BLS's initial jobless claims saw a sharp 27k slump to 191k for the week ended 29 November. The Challenger job data indicate employers cutting 71.3k jobs in November, but far lower than October's -153K. Softening of labour market may push for rate cuts, sentimentally positive for Gold.
- The US Fed funds futures are pricing in 91% chance of a 25bp cut at the 9-10 December meeting. They are pricing in a total cut of 59bp by June-2026 and 86bp by December-2026. Positive for gold.
- Data watch: German factory orders, Eurozone 3Q GDP, US personal income and spending, US PCE price index, and US consumer sentiment.

## Base metals

- Base metals advances on Friday with Copper leading the march as CITIGROUP updated copper price target to \$13,000/ton in six to twelve months Citigroup is bullish on copper, aluminium, for 2026.
- LME warehouse data showed further jump of 7kt of copper cancelled warrant following 50kt driven by concerns over tightening global supply.
- DRC miner Ivanhoe Mines earlier this week trimmed its production outlook for the Kamoa-Kakula operation in the Democratic Republic of Congo, while Glencore cut its production target for next year. Sentimentally positive for copper.

### Base Metals Monitor

Exchange	Commodity	Expiry	4-Dec-25	Daily Change	Daily % Change	3-Dec-25
LMEX	LMEX	-	4800	-9	-0.19%	4809
LME	Aluminium (\$)	-	2904	7	0.24%	2897
LME	Copper (\$)	-	11450	-37	-0.32%	11487
LME	Lead (\$)	-	2014	15	0.75%	1999
LME	Nickel (\$)	-	14897	24	0.16%	14873
LME	Zinc (\$)	-	3090.5	25.5	0.83%	3065
MCX	Aluminium	Dec	278.4	0.1	0.04%	278.3
MCX	Copper	Dec	1073	-3	-0.28%	1076
MCX	Lead	Dec	183.25	0.3	0.16%	182.95
MCX	Nickel	Dec	1308	0	0.00%	1308
MCX	Zinc	Dec	308.75	-0.35	-0.11%	309.1

**Outlook:** Short term trend in metals will continue to remain bullish supported by expectation of rate cuts from US and stimulus from China, 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. For the day we advise buying the dips.

## Bullions

### Bullion Daily Change

Exchange	Commodity	Expiry	4-Dec-25	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	4207.6	4.6	0.11%
Comex	Silver (\$)	Spot	57.13	-1.37	-2.34%
MCX	Gold	Dec	130000	-350	-0.27%
MCX	Silver	Dec	177951	-4199	-2.31%
Ratio	Goldsilver ratio	-	73.65	1.80	2.51%
Rupee	USDINR	-	89.890	-0.31	-0.34%
Dxy	Dollar Index	-	98.98	0.13	0.13%
Bond	US-10 T.Yield	-	4.09	0.03	0.74%

- Gold prices heading for a weekly decline as yellow metal trades under \$4200 level on Friday in early Asian session, following marginal gains of 0.1% on Thursday. Gold is expected to trade sideways ahead of the FOMC rate decision 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's 8 days winning streak halted as metal plunged 2.3% on profit booking on Comex, while factor driving metals in recently are still very much same with tightness of metal at Shanghai and LBMA. Silver's one-month LBMA lease rate is at 5.70%, far above the historical norm despite falling from October's 35%. SHFE silver stock plunged 62% to a decade low of 551 tons before recovering to 654 tons. Silver broke key resistance at \$54.50, supported by ETF inflows, inventory tightness, Fed rate cut expectations, and geopolitical risks. Short-term strategy favors buying dips with a stop-loss below \$54. Price outlook: \$62-\$65 in coming weeks/month.

### Outlook:

*Bullion expected to remain in the driver's seat on expectation of US Fed rate cuts, while risk of Japan's rate hike 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/\$62.*

## Energy

### Energy Price Monitor

Exchange	Commodity	Expiry	4-Dec-25	Change	Daily % Change	3-Dec-25
Nymex	<b>Crude (\$)</b>	Jan	59.67	0.27	0.45%	59.4
Nymex	<b>Natural gas (\$)</b>	Dec	5.06	0.07	1.40%	4.99
MCX	<b>Crude</b>	Dec	5381	23.00	0.43%	5358
MCX	<b>Natural gas</b>	Dec	450	1.00	0.22%	449

- Oil rose in choppy trade on Thu as markets weighed geopolitical tensions against a price cut on Saudi Arabia's main grade of crude to Asia. WTI for Jan delivery rose 1.2% to settle at \$59.67 /bbl while Feb's Brent advanced 0.9% to settle at \$63.26 /bbl.
- Natural gas prices are expected to trade with positive bias as midday weather models in US shifted colder for mid-December in the eastern two-thirds of the country Futures for January delivery settled +1.4%, to \$5.063/mmbtu on Nymex. 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.

**Outlook:** *The short-term fundamental is expected to see crude oil prices higher supported by Ukraine-Russia war and US-Venezuela tussle, while upside remains limited due to supply glut and weakening demand which prompted Saudi to cut down their OSP for Jan for all the geographies. 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,*

*Short term trading range \$58-\$61.*

*Long term trading range \$55/\$52- \$62-\$64.*

## Daily Price Monitor

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	Aluminium	Dec	274-282	Buy on dips
MCX	Copper	Dec	1050-1085	Buy on dips
MCX	Lead	Dec	178-183	Buy on dips
MCX	Nickel	Dec	2200-308	Buy on dips
MCX	Zinc	Dec	305-312	Buy on dips
MCX	Gold	Feb	128500-131500	Buy on dips
MCX	Silver	Mar	180000-187000	Buy on dips
MCX	Crude	Dec	5200-5450	Buy on dips
MCX	Natural gas	Dec	425-465	Buy on dips
Comex	Gold	Spot	\$4152-\$4285	Buy on dips
Comex	Silver	Spot	\$57-\$60	Buy on dips
Nymex	Crude oil	Jan	\$58-\$60.50	Buy on dips

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