

Commodity Morning View

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Trump imposes additional 25% tariffs on India

Key Points

- Trump threaten with 100% duties on semi-conductors
- Trump to raise secondary sanctions on countries
- Global central banks add 123 tons gold H1-2025
- Copper remains supportive for mining disruption concerns
- China trade balance

Events to Watch

Data	Country	Event	Time	Previous	Forecast
07-Aug	US	EIA Natural Gas Storage Change	20:00	48	--
07-Aug	CH	Trade Balance		\$114.77b	\$105.55b
07-Aug	CH	Exports YoY		5.80%	5.50%
07-Aug	CH	Imports YoY		1.10%	-1.00%
07-Aug	US	Nonfarm Productivity	18:00	-1.50%	2.00%
07-Aug	US	Unit Labor Costs	18:00	6.60%	1.50%
07-Aug	US	Initial Jobless Claims	18:00	218k	221k
07-Aug	US	NY Fed 1-Yr Inflation Expectations	20:30	3.02%	--

Macro

- The DJIA, the S&P500, and the Nasdaq Composite Index rose 0.2%, 0.7%, and 1.2% respectively. The Eurostoxx 50 rose 0.3%. The Dollar Index fell 0.6% to 98.18 and EUR-USD gained over 80 pips to 1.1660. The US 2Y yield dipped 1bp to 3.71% while the 10Y yield gained nearly 2bp to 4.23%. The German 10Y yield rose 3bp to 2.65% and the UK 10Y yield edged up 1bp to 4.53%. Brent crude oil prices fell 1.1% to USD66.89 and gold fell 0.3% to USD3,369
- President Trump imposed an additional 25% tariff on Indian exports to the US due to ongoing purchases of Russian energy. This will raise the total tariff rate on India to 50%. Trump signed an executive order setting the new tariff rate yesterday. It is set to take effect in three weeks, on 27 August. Goods that are already in transit by 27 August and arriving before 17 September will be exempt from the new tariff. Negative for OMC's and Indian rupee
- US President likely to impose secondary tariffs on several nations says secondary sanctions underway, possibly targeting China and proposes to impose 100% tariffs on imported chips into US. Sentimentally negative for global equities.
- German factory orders unexpectedly declined for a second month by -1% m/m (vs 1.1% est) in Jun. The Bank of England (BoE) meets today and is expected to cut the bank rate by 25bp to 4%.
- **Economic Calendar** – Germany Balance of Trade, BoE Interest Rate Decision, US Initial Jobless Claims, US Nonfarm Productivity.

Base metals

- Base metals drifted higher, supported by softer USD, while copper is getting support from the mining disruption in Chile, which account for 25% of global mining output.

- The US has imposed a 50% tariff on imported copper processed materials, but copper billet exports to the US in January-June 2025 were only 14.95 mt, accounting for 0.54% of total exports, and the actual impact is expected to be limited.
- On the macro front, Trump's imposition of a 25% tariff (total tariff rate of 50%) on India has exacerbated trade friction risks, which will inhibit the transmission of global industrial chain demand, and aluminum semis exports are expected to be weak. Expectations for US Fed interest rate cuts have heated up (with two potential cuts this year), suppressing the US dollar and providing bottom support for commodities.

Base Metals Monitor

Exchange	Commodity	Expiry	6-Aug-25	Daily Change	Daily % Change	5-Aug-25
LMEX	LMEX	-	4166	33	0.80%	4133
LME	Aluminium (\$)	-	2609	47	1.83%	2562
LME	Copper (\$)	-	9676	38	0.39%	9638
LME	Lead (\$)	-	1994	21	1.06%	1973
LME	Nickel (\$)	-	2758	0	0.00%	2758
LME	Zinc (\$)	-	2788	30	1.09%	2758
MCX	Aluminium	Aug	255	3.55	1.41%	251.45
MCX	Copper	Aug	883	3	0.34%	880
MCX	Lead	Aug	178	0	0.00%	178
MCX	Nickel	Aug	267.3	0	0.00%	267.3
MCX	Zinc	Aug	268	3	1.13%	265

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: 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. The weakening of Indian rupee and USD could support metals at global and domestic exchanges.

Bullions

Bullion Daily Change

Exchange	Commodity	Expiry	6-Aug-25	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	3369	-11	-0.33%
Comex	Silver (\$)	Spot	37.83	0.02	0.05%
MCX	Gold	Oct	101250	-80	-0.08%
MCX	Silver	Sep	113671	173	0.15%
Ratio	Goldsilver ratio	-	89.06	-0.34	-0.38%
Rupee	USDINR	-	87.730	-0.05	-0.06%
Dxy	Dollar Index	-	98.17	-0.61	-0.62%
Bond	US-10 T.Yield	-	4.22	0.01	0.24%

- Gold saw profit-taking on Wed after a 4-day winning streak, with the bullion edging lower by 0.3% to close at \$3,369 /oz. The weakening of Indian rupee has made MCX gold to touch fresh all-time highs, while The Indian Rupee will be vulnerable in case Trump substantially increases tariff rate for India.
- Meanwhile WGC released Central bank data, showing GCB have added 22 tons of gold in June and net inflows for H1 stood at 123 tons. Positive for gold
- Silver is expected to see sideways moves, with higher correlation with copper prices, although tariff war would see economic slowdown and hence may see some price consolidation in coming weeks.

Outlook:

Gold prospects have changed drastically as the US nonfarm payroll data proved to be disastrous. Spot gold is seen trading with a slight bullish bias as trade developments unfold. While weakness seen in the key US data is positive for the metal as September Fed rate cut probability has risen sharply, investors are closely monitoring trade developments, especially US-China trade truce extension, which is keeping the metal capped for now.

Comex Gold support: \$3320 /3335 Resistance: \$3395/3420

Silver: Support is at \$ \$37 (Rs 111000) / Resistance is \$38.5 (Rs 115500).

Energy

Energy Price Monitor

Exchange	Commodity	Expiry	6-Aug-25	Change	Daily % Change	5-Aug-25
Nymex	Crude (\$)	Aug	64.35	-0.81	-1.24%	65.16
Nymex	Natural gas (\$)	Sept	3.07	0.06	1.99%	3.01
MCX	Crude	Aug	5700	-47.00	-0.82%	5747
MCX	Natural gas	Aug	270	4.00	1.50%	266

- Oil continued its five-day decline, the longest since January, as traders looked beyond US actions against Russian crude buyers and focused on Trump's Ukraine diplomacy. WTI hovered below \$65, Brent near \$67. Trump doubled tariffs on Indian goods but hasn't targeted China yet. the market is still hopeful that tariffs, effective 27 August, ultimately won't be implemented. Secondly, the additional tariff won't push India to stop buying Russian oil.

EIA Inventories

Unit	Commodity	6-Aug-25	30-Jul-25	Weekly Change	Weekly % Change
Million barrel	Crude reserves(MB)	423.66	426.69	-3.03	-0.71%
Million barrel	Cushing stocks (MB)	23	22.55	0.45	2.00%
Million barrel	Gasoline (MB)	227	228.4	-1.4	-0.61%
Million barrel	Distillate (MB)	112.97	113.53	-0.56	-0.49%
Million barrel	US Daily output (MB/d)	13.28	13.31	-0.03	-0.23%
Million barrel	Implied oil demand (MB/D)	19.80	19.80	0	0.00%
Percent	Capacity utilisation (%)	96.9	95.4	1.5	1.57%
Billion cubic feet	Natural gas(Bcf)	3123	3123	0	0.00%

Outlook: The supply concerns from Russia could keep crude oil prices supportive around \$64 and we expect some buying. Overall outlook remains range bound crude oil will be seesawing between forces of weak demand, rising supplies and geo-political rifts.

Crude oil Support: \$64, Resistance \$67.

Daily Price Monitor

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	Aluminium	Aug	250-257	Sell on rise
MCX	Copper	Aug	872-890	Buy on dip
MCX	Lead	Aug	175-180	Sell on rise
MCX	Nickel	Aug	2200-3	Sell on rise
MCX	Zinc	Aug	262-270	Sell on rise
MCX	Gold	Aug	99800-103000	Sell on rise
MCX	Silver	Sept	109000-115000	Sell on rise
MCX	Crude	Aug	5600-5850	Buy on dip
MCX	Natural gas	Aug	250-286	Buy on dip
Comex	Gold	Spot	\$3350-\$3400	Buy on dip
Comex	Silver	Spot	\$37-\$38.50	Buy on dip
Nymex	Crude oil	Sept	\$64-\$68	Buy on dip

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