

Commodity Morning View

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US President plans to impose 50% tariffs on copper imports

Key Points

- Global copper prices volatile after trumps order
- Trump plans new tariffs rates
- Gold retreats on profit booking
- US FOMC minutes in focus

Events to Watch

Date	Country	Event	Time	Forecast	Previous
09-Jul	CH	PPI YoY	7:00	-3.30%	-3.20%
09-Jul	CH	CPI YoY	7:00	-0.10%	-0.10%
09-Jul	US	DOE U.S. Crude Oil Inventories	20:00	3845k	--
09-Jul	US	FOMC Meeting Minutes	23:30	--	--

Macro

- The DJIA and the S&P500 fell 0.4% and 0.1% respectively, while the Nasdaq Composite Index closed flat. The Eurostoxx 50 rose 0.6%. The Dollar Index was largely unchanged at 97.52 and EURUSD edged up 20 pips to 1.1730. The US 2Y yield closed flat at 3.89% and the 10Y yield gained 2bp to 4.40%. The German 10Y yield rose 4bp to 2.69% and the UK 10Y yield rose 5bp to 4.63%. Brent crude oil prices rose 0.8% to USD70.15 and gold fell 1% to USD3,302
- US President Trump plans to impose a 50% tariff on copper imports and suggested more sector-specific duties are on the way. He did not say specifically when that tariff would take effect. Trump also said he would soon announce tariffs "at a very, very high rate, like 200%," on pharmaceutical imports. Sentimentally negative for Industrial commodities.
- COMEX copper futures surged 13% to a record high of USD5.68 per pound, LME copper prices spiked to as high as \$9888.50/mt following the tariff news but later pared its gains to close the day 0.4% d/d lower at \$9790.50/mt. Copper is the world's third most used metal, after iron and aluminium. Sentimentally negative for long term copper demand.
- Economic calendar – China Inflation Rate, China PPI, US FOMC Minutes

Base metals

- Copper prices spiked more than 10% after Trump announced plans to impose 50% tariffs on copper imports to the US, which will align with steel and aluminium tariffs of 50%. An ongoing investigation is expected to conclude by November, after which Trump may decide to implement the tariffs.
- China's producer deflation deepened to its worst level in almost two years in June as the economy grappled with uncertainty over a global trade war and subdued demand at home, piling pressure on policymakers to roll out more support measures. The producer price index fell 3.6% in June from a year earlier, worse than a 3.3% decline in May and the largest drop since July 2023, while consumer price index edged up 0.1% last month from a year earlier, reversing a 0.1% drop in May

Base Metals Monitor

Exchange	Commodity	Expiry	8-Jul-25	Daily Change	Daily % Change	8-Jul-25
LMEX	LMEX	-	4193	-3	-0.07%	4196
LME	Aluminium (\$)	-	2586	13	0.51%	2573
LME	Copper (\$)	-	9790	-39	-0.40%	9829
LME	Lead (\$)	-	2056	20	0.98%	2036
LME	Nickel (\$)	-	2724	0	0.00%	2724
LME	Zinc (\$)	-	2720	36	1.34%	2684
MCX	Aluminium	Jul	248	1	0.40%	247
MCX	Copper	Jul	891	2	0.22%	889
MCX	Lead	Jul	178	0	0.00%	178
MCX	Nickel	Jul	255.1	0	0.00%	255.1
MCX	Zinc	Jul	255	0.8	0.31%	254.2

LME Inventories

Exchange	Commodity	30-Jun-24	30-06-2024 (T.C.W)	Daily Stock change	Daily Canceled warrants	Daily % change stock	Daily % Change C.warrants
LME	Aluminium	345750	10625	550	-1425	0.16%	-0.41%
LME	Copper	90625	32925	-650	-700	-0.71%	-0.77%
LME	Lead	271925	69500	-1500	-1175	-0.55%	-0.43%
LME	Nickel	35840	-53640	-3375	-918	-8.61%	-2.34%
LME	Zinc	117475	27150	-1750	-750	-1.47%	-0.63%

SHFE Inventories (tons)

Exchange	Commodity	27-Jun-25	Weekly Stock Change	Weekly % Change Stock	YTD
SHFE	Aluminium	94290	-10194	-9.76%	-53.13%
SHFE	Copper	81550	-19264	-19.11%	9.95%
SHFE	Lead	52060	769	1.50%	0.46%
SHFE	Nickel	41331	525	1.29%	8.08%
SHFE	Zinc	43502	638	1.49%	43.87%

Outlook: The renewed tariff threat will keep market volatile specially copper with price difference between Comex and LME will see arbitrage opportunities among traders, the short squeeze situation could keep copper prices higher despite of weak demand.

Bullions

Bullion Daily Change

Exchange	Commodity	Expiry	8-Jul-25	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	3301	-35	-1.05%
Comex	Silver (\$)	Spot	36.76	0	0.00%
MCX	Gold	Aug	96450	-798	-0.82%
MCX	Silver	Sep	108009	-232	-0.21%
Ratio	Goldsilver ratio	-	89.80	-0.95	-1.05%
Rupee	USDINR	-	85.550	0.00	0.00%
Dxy	Dollar Index	-	97.51	0.03	0.03%
Bond	US-10 T.Yield	-	4.39	0.02	0.46%

- Spot gold fell by slightly more than 1% to settle at USD3,300.41/oz. Bullion remains up over 25% this year amid geopolitical tensions.

Outlook:

The renewed tariff threat drives gold prices higher in Asia and expect safe haven demand to shine in coming days due to economic uncertainty.

Comex Gold support: \$3285/3255 Resistance: \$3350/3365

Silver: Support is at \$ 35.50 (Rs 104300) / Resistance is \$37 (Rs 110000).

Energy

Energy Price Monitor

Exchange	Commodity	Expiry	8-Jul-25	Change	Daily % Change	8-Jul-25
Nymex	Crude (\$)	Aug	68.33	0.40	0.59%	67.93
Nymex	Natural gas (\$)	May	3.44	0.03	0.88%	3.41
MCX	Crude	July	5833	43.00	0.74%	5790
MCX	Natural gas	July	287	-7.60	-2.58%	294.6

- Oil prices marched to their highest levels in two weeks on Tue, gaining ground despite plans to increase the flow of crude oil to world markets next month. OPEC+, agreed over the weekend to increase crude output by 548,000 barrels per day in Aug but instead of prices falling ahead of that increased supply, the move to unleash more barrels into the open market has sparked a new battle in the fight for global market share. Brent crude price gained 0.8% and closed at USD70.15/bbl.

EIA Inventories

Unit	Commodity	2-Jul-25	25-Jun-25	Weekly Change	Weekly % Change
Million barrel	Crude reserves(MB)	418.95	415.1	3.85	0.93%
Million barrel	Cushing stocks (MB)	20.731	22.22	-1.489	-6.70%
Million barrel	Gasoline (MB)	232.12	227.93	4.19	1.84%
Million barrel	Distilate (MB)	103.6	105.32	-1.72	-1.63%
Million barrel	US Daily output (MB/d)	13.43	13.43	0	0.00%
Million barrel	Implied oil demand (MB/D)	19.80	19.80	0	0.00%
Percent	Capacity utilisation (%)	94.9	94.7	0.2	0.21%
Billion cubic feet	Natural gas(Bcf)	2325	2325	0	0.00%

Outlook: The long-term fundamentals for crude oil are just getting darker with market balance running into deep surplus, while short term supply could remain volatile due to counter news but trend remain weak for oil prices.

Crude oil Support: \$65, Resistance \$69.

Daily Price Monitor

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	Aluminium	July	244-252	Sell on rise
MCX	Copper	July	880-910	Sell on rise
MCX	Lead	July	175-180	Sell on rise
MCX	Nickel	July	2200-3	Buy on dip
MCX	Zinc	July	248-260	Sell on rise
MCX	Gold	Aug	94800-98000	Buy on dip
MCX	Silver	July	106500-109500	Sell on rise
MCX	Crude	July	5600-5850	Sell on rise
MCX	Natural gas	July	270-300	Sell on rise
Comex	Gold	Spot	\$3300-\$3365	Sell on rise
Comex	Silver	Spot	\$35-\$37	Sell on rise
Nymex	Crude oil	Aug	\$65-\$69	Sell on rise

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