

Commodity Morning View

July 11, 2025

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Trump threatens Canada with 35% rates

Key Points

- OPEC+ indicating to raise supplies in September
- US Jobless claims eases
- Supply chain disruption keeping base metals supportive
- Gold edge higher due to economic uncertainty
- Nat Gas jumps of lower inventory buildup

Events to Watch

Data	Country	Event	Time	Previous	Forecast
11-Jul	US	Baker Hughes U.S. Rig Count	22:30	539	--
11-Jul	US	Baker Hughes U.S. Rotary Gas Rigs	22:30	108	--
11-Jul	US	Baker Hughes U.S. Rotary Oil Rigs	22:30	425	--

Macro

- The S&P 500 and Nasdaq closed the day 0.3% d/d and 0.1% d/d up, milder than the 0.4% d/d rally in the Dow, Yields rebounded 0-3bps (prior: -5 to -7bps) across the board and the benchmark 2Y- and 10Y yields closed the day at 3.87% (+3bps) and 4.35% (+2bps). Similarly, 10Y European sovereign bonds were mostly higher by 2-4bps, after closing 0-2bps lower the day before, , the DXY firmed to 97.92, WTI plunged 2.7% d/d to \$66.57/barrel, while Brent slid 2.2% d/d to \$68.64/barrel.
- Trump to impose 35% tariff on goods from Canada and said that EU will be next to receive their letter. The other countries will pay a blanket 15% or 20% tariff. US Initial jobless claims were lower-than-expected coming in at 227k for the week of 5 July from 232k the previous week, while continuing claims were in line with expectations 1965k for the week of 28 June.
- Crude Oil fell over 2% as Trump's escalating tariff threats sparked global growth concerns. Brent settled at \$68.64, WTI at \$66.57. Tariff letters hit Brazil, Japan, South Korea and others. Markets remained cautious, given Trump's unpredictability. Fed minutes showed limited support for near-term rate cuts. OPEC+ plans a September output hike but may pause in October. Sentimentally positive for OMC's and Indian rupee.
- Economic data watch: it's a lighter data day ahead with tariff headlines likely to be the bigger focus.

Base metals

- Base metals were edgy on Thursday with Zinc leading the charge supported by rally in iron ore prices and improving real estate sentiments in China, while rest of the metals had remained rangebound.
- LME Warehouse inventory data showed 5th straight day of jump in copper and aluminium inventories, LME copper cathode inventory rose by 975 mt to 108,100 mt; SHFE warrant inventory increased by 393 mt to 21,729 mt.
- Chile, a major copper-producing country, is seeking exemption from US copper tariffs. If Chile successfully obtains tariff exemption, it will effectively alleviate market concerns arising from potential high tariffs in the early stage, Once the tariff noise related to the US subsidies, we expect US copper prices to fall and converge with LME prices. According to report the total US copper imports in the first half of the year were 881,000 mt, while actual demand was approximately 441,000 mt. "This means there is a surplus inventory of 440,000 mt.

- The US consumed about 1.6 million tons of refined copper in 2024. While the US has significant mines, producing some 850,000 tons of primary copper last year, it still relies on imports from key trade allies to fill the need. Chile is the largest import source, accounting for 38% of total import volumes, followed by Canada at 28% and Mexico, with 8% share. Net copper imports account for 36% of demand, the 50% tariffs would increase the cost index in US and will slowdown the over economy.

Base Metals Monitor

Exchange	Commodity	Expiry	10-Jul-25	Daily Change	Daily % Change	9-Jul-25
LMEX	LMEX	-	4186	29	0.70%	4157
LME	Aluminium (\$)	-	2607	11	0.42%	2596
LME	Copper (\$)	-	9700	70	0.73%	9630
LME	Lead (\$)	-	2044	-12	-0.58%	2056
LME	Nickel (\$)	-	2724	0	0.00%	2724
LME	Zinc (\$)	-	2777	35	1.28%	2742
MCX	Aluminium	Jul	249	1	0.40%	248
MCX	Copper	Jul	885	-6	-0.67%	891
MCX	Lead	Jul	178	0	0.00%	178
MCX	Nickel	Jul	255.1	0	0.00%	255.1
MCX	Zinc	Jul	260	5	1.96%	255

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: No significant new macro variables have emerged, with market focus centred on whether the proposed 50% copper tariffs will be implemented. On the fundamental side, supply-side supplier willingness to sell strengthened ahead of contract rollover, resulting in relatively loose market liquidity.

Bullions

Bullion Daily Change

Exchange	Commodity	Expiry	10-Jul-25	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	3324	11	0.33%
Comex	Silver (\$)	Spot	37	0.62	1.70%
MCX	Gold	Aug	96690	251	0.26%
MCX	Silver	Sep	109102	1670	1.55%
Ratio	Goldsilver ratio	-	89.84	-1.23	-1.35%
Rupee	USDINR	-	85.550	0.00	0.00%
Dxy	Dollar Index	-	97.65	0.1	0.10%
Bond	US-10 T.Yield	-	4.34	0.01	0.23%

- Gold rose to \$3,321 rebounding from a one-week low. The prospect for gold remains strong amid expectations of 2 rate cuts from FOMC and the trade related uncertainty will keep the investment appeal on higher side.

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	10-Jul-25	Change	Daily % Change	9-Jul-25
Nymex	Crude (\$)	Aug	66.57	-1.81	-2.65%	68.38
Nymex	Natural gas (\$)	May	3.33	0.12	3.74%	3.21
MCX	Crude	July	5717	-167.00	-2.84%	5884
MCX	Natural gas	July	286.3	12.90	4.72%	273.4

- OPEC+ is discussing a pause in further production increases from Oct after its next monthly hike. Saudi Arabia and its partners already have a tentative plan to complete the revival of a 2.2-million-barrel supply revival in Sep with a final monthly tranche of 550,000 barrels.
- In futures markets, oil sank as the escalating global trade war and the possibility that OPEC+ may halt output hikes flashed warning signs for energy demand. Brent's nearest month futures contract price fell 2.2% to USD68.64 overnight while its WTI counterpart fell by more (-2.7%) to close at USD66.57.

EIA Inventories

Unit	Commodity	9-Jul-25	2-Jul-25	Weekly Change	Weekly % Change
Million barrel	Crude reserves(MB)	426.01	418.95	7.06	1.69%
Million barrel	Cushing stocks (MB)	21.19	20.731	0.459	2.21%
Million barrel	Gasoline (MB)	229.46	232.12	-2.66	-1.15%
Million barrel	Distilate (MB)	102.79	103.6	-0.81	-0.78%
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 (%)	94.7	94.9	-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	865-900	Sell on rise
MCX	Lead	July	175-180	Sell on rise
MCX	Nickel	July	2200-3	Buy on dip
MCX	Zinc	July	255-265	Buy on dip
MCX	Gold	Aug	94800-98000	Buy on dip
MCX	Silver	July	106500-111500	Buy on dip
MCX	Crude	July	5650-5900	Sell on rise
MCX	Natural gas	July	265-295	Sell on rise
Comex	Gold	Spot	\$3285-\$3350	Buy on dip
Comex	Silver	Spot	\$36-\$37.35	Buy on dip
Nymex	Crude oil	Aug	\$65-\$69	Sell on rise

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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.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

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

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