

# Commodity Morning View

December 12, 2025

---

## Index

• Key points .....	2
• Macro .....	2
• Base metals .....	3
• Bullions .....	4
• Energy .....	5

Visit us at [www.sharekhan.com](http://www.sharekhan.com)

**MIRAE ASSET** Sharekhan

# Warm weather forecast plunges Natural gas

## Key Points

- Copper hits fresh highs
- Silver hits fresh highs
- US weekly jobless claims surges
- IEA revised up global demand
- IEA expect 3.8mbpd gluts in 2026

### Events to Watch

Data	Country	Event	Time	Previous	Forecast
12-Dec	EUR	German CPI (YoY) (Nov)	12:30	2.30%	2.30%
12-Dec	EUR	German CPI (MoM) (Nov)	12:30	-0.20%	-0.20%
12-Dec	EUR	German HICP (MoM) (Nov)	12:30	-0.50%	-0.50%
12-Dec	EUR	German HICP (YoY) (Nov)	12:30	2.60%	2.60%

## Macro

- The weather forecast in US turned upside down with in a week to see Natural gas prices plunging 20% from three year high made last week to 9 months lows as turned warmer for the weeks ahead, prompting the sell-off in gas futures.
- The DJIA and the S&P500 rose 1.3% and 0.2% respectively while the Nasdaq Composite Index fell 0.3%. The Eurostoxx 50 rose 0.8%. The Dollar Index fell 0.5% to 98.35 and EUR-USD gained 40 pips to 1.1740. The US 2Y yield closed flat at 3.54% after falling by nearly 8bp on
- Wednesday. The US 10Y yield edged up 1bp to 4.16%. The German 10Y yield dipped 1bp to 2.84% and the UK 10Y yield fell 2bp to 4.48%. Brent crude oil prices fell 1.5% to USD61.28 and gold rose 1.2% to USDD4,280. China concluded the two days Central Economic Work Conference (CEWC) that the government will continue to implement “a more proactive fiscal policy” and monetary policy will continue to be “moderately loose”, the government continues to set tech innovation as a priority, particularly with the emphasis on AI. It stresses the need to thoroughly address “involution” however no details were provided such as the annual GDP growth target and the budget deficit rate. These will be announced in March next year during the annual session of the National People’s Congress. Sentimentally neutral to negative for Industrial commodities.
- The US trade deficit continued to narrow sharply in September to USD52.8 billion (consensus: USD63.3 billion; August: USD59.3 billion), as import growth (+0.6% y/y) trailed exports (+3.0% y/y), while the trade gap with China narrowed to USD11.4 billion. Initial jobless claims normalised to 236k for the week ending 6 December (prior: 192k), following the earlier Thanksgiving lull, though jobless claims data are expected to remain volatile heading into year-end amid the holiday season. Negative for USD.
- Data watch: German CPI data.

## Base metals

- Base metals had a broader rally on Thursday driven Copper, Zinc and Aluminium, supported by FOMC outcome, and China CWC conclusion. Copper was up 2.7% to settle at \$11,872 a ton on the London Metal Exchange the metal has rallied 35% ytd. . The Yangshan copper premiums have edged higher to \$41/t and LME premiums have eased to \$24/t as the global warehousing inventories stood around 657kt as on Thursdays.
- The Fed now expects the US economy to grow by 2.3% next year, up from its previous projection of 1.8%, while
- anticipating that the pace of inflation will slow to 2.4%. Lower rates tend to benefit metals and other commodities, both by boosting their appeal relative to yield-bearing investments like bonds, and by lowering borrowing costs for capital-intensive manufacturing and industrial businesses.
- LME Zinc surged to fresh high Zinc cash-to-three-month spread was quoted at \$172.81 a ton on Dec. 11, 2025, on the London Metal Exchange, increasing \$14.29 from the previous trading day.
- We expect the CPI and PPI to reflate from 0% and -2.7% in 2025 to 0.7% and -0.5% in 2026. CPI will be driven by rebounding food price, narrowing decline of energy price and moderately recovering services price, while PPI will be driven by easing monetary cycle in the US and China, fiscal expansion in the EU and Japan, and continuous anti-involution efforts from China
- China's exports beat market expectation due to broad-based improvement in exports to the EU, Latin America and Africa, while exports to the US and ASEAN underperformed. Exports of integrated circuits extended its rally thanks to the global AI booming cycle, reflecting China's ongoing tech advancement. Looking forward, we expect China's goods exports may decrease from 5.2% in 2025 to 3.5% in 2026 while imports may rebound from -0.5% to 2%.

### Base Metals Monitor

Exchange	Commodity	Expiry	11-Dec-25	Daily Change	Daily % Change	10-Dec-25
LMEX	LMEX	-	4914	117	2.44%	4797
LME	Aluminium (\$)	-	2900	33	1.15%	2867
LME	Copper (\$)	-	11872	316	2.73%	11556
LME	Lead (\$)	-	1988	8	0.40%	1980
LME	Nickel (\$)	-	14626	-26	-0.18%	14652
LME	Zinc (\$)	-	3203	121	3.93%	3082
MCX	Aluminium	Dec	280.25	4.25	1.54%	276
MCX	Copper	Dec	1109	25	2.31%	1084
MCX	Lead	Dec	182	0.5	0.28%	181.5
MCX	Nickel	Dec	1333	0	0.00%	1333
MCX	Zinc	Dec	319	9	2.90%	310

**Outlook:** The base metals are expected to trade sideways to buy on dips supported by policy support from US and expected policy optimism from China. The FOMC projection of one rate cut for 2026 could weigh on the broader markets but US economic growth has been revised up at 2.3%. The BoJ policy decision would be next trigger for global markets, scheduled for 19th Dec. For the day we advise buying the dips.

## Bullions

### Bullion Daily Change

Exchange	Commodity	Expiry	11-Dec-25	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	4280	52	1.23%
Comex	Silver (\$)	Spot	63.55	1.75	2.83%
MCX	Gold	Feb	132549	2920	2.25%
MCX	Silver	Mar	199182	10608	5.63%
Ratio	Goldsilver ratio	-	67.35	-1.07	-1.56%
Rupee	USDINR	-	90.350	0.36	0.40%
Dxy	Dollar Index	-	98.34	-0.44	-0.45%
Bond	US-10 T.Yield	-	4.15	0.01	0.24%

- Bullion was little changed at around \$4,280 an ounce, having climbed 1.2% in the previous session supported by prospects of further US easing following this week's cut; the Fed left the door open to more cuts next year even as swaps price in two reductions in 2026 versus one signalled by policymakers. Silver hovered near a record, down 0.1% at \$63.50, while platinum and palladium edged lower.
- Silver hit fresh highs of \$64.31 driven on speculation and heavy buying from the silver ETF's as there are more than 21,000 open \$57 calls expiring Friday. Dealers who short the contracts may have needed to buy shares to rebalance positions, adding fuel to the rally. We expect the silver market to remain in deficit next year, driven by rebounding industrial demand, continued strength in solar and modest supply growth. We expect silver to observe extreme volatility, and prices could correct sharply once expiry is over, support remains around of \$60/\$57 we advise investors to be cautious.

### Outlook:

The open Market operation from Fed to increase liquidity into markets and that should keep UST yields lower and precious metals higher. the long-term story remains intact as PBoC added 10 tons of gold in November while GCB net purchases rose 53 tons in October to support the rally. The revised growth projection may see silver outperformances to continue vs gold in 2026.

Gold support \$4235 Resistance \$4320.

Silver support \$59-Resistance \$65.

## Energy

### Energy Price Monitor

Exchange	Commodity	Expiry	11-Dec-25	Change	Daily % Change	10-Dec-25
Nymex	Crude (\$)	Jan	57.6	-0.86	-1.47%	58.46
Nymex	Natural gas (\$)	Jan	4.23	-0.36	-7.84%	4.59
MCX	Crude	Dec	5182	-68.00	-1.30%	5250
MCX	Natural gas	Dec	381.8	-35.20	-8.44%	417

- US natural gas futures crashed this week, falling by the most in almost nine months, as increasingly warm mid-December forecasts triggered a wave of selling, the weather forecast from 16th Dec to 25 dec remains warmer in US, which cuts down the demand for NG, although inventories data showed a larger draw last week. We expect prices to remain under selling pressure hence sell on rise is advisable. At MCX prices to find support of Rs 372/365, overall trend looks weak.
- Oil rebounded from a near two-month low amid broader market optimism, with WTI towards \$58 after a 1.5% drop and Brent above \$61.
- IEA sees oil supply at 106.2m b/d in 2025, 108.6m b/d in 2026, Global oil demand at 103.92m b/d in 2025, 104.79m b/d in 2026 and World supplies will exceed demand by 3.815m b/d in 2026. Sentimentally negative for crude oil.

**Outlook:** The overall crude oil market balance is headed for glut over 3mbpd by H2-2026, which could further drag oil prices by 10% in next 3 months, while short term trading would still see volatility on either side due to prevailing geo-political rifts.

Short term trading range \$57-\$60.

Long term trading range \$54/- \$62.

#### Daily Price Monitor

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	Aluminium	Dec	276-285	Buy on dips
MCX	Copper	Dec	1085-1125	Buy on dips
MCX	Lead	Dec	180-185	Sell on Rise
MCX	Nickel	Dec	2200-308	Sell on Rise
MCX	Zinc	Dec	310-330	Buy on dips
MCX	Gold	Feb	129500-133000	Buy on dips
MCX	Silver	Mar	188000-201000	Sell on Rise
MCX	Crude	Dec	5200-5350	Buy on dips
MCX	Natural gas	Dec	385-435	Sell on Rise
Comex	Gold	Spot	\$4252-\$4330	Buy on dips
Comex	Silver	Spot	\$57-\$65	Sell on Rise
Nymex	Crude oil	Jan	\$58-\$61.2	Buy on dips

**DISCLAIMER**

This information/document has been prepared by Sharekhan Ltd. and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited. This information/ document is subject to change without prior notice.

Recommendation in reports based on technical and derivatives analysis is based on studying charts of a stock's price movement, trading volume, and outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply to information/documents focused on technical and derivatives research and shall not apply to reports/documents/information focused on fundamental research.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. Mirae Asset Sharekhan will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("Mirae Asset Sharekhan and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Mirae Asset Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this recommendations/report.

This information/recommendation/report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Mirae Asset Sharekhan and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restrictions.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in the securities of the company and that all the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of Mirae Asset Sharekhan. The analyst and Mirae Asset Sharekhan further certifies that either he or his relatives or Mirae Asset Sharekhan associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report. The analyst and Mirae Asset Sharekhan encourage independence in research report/ material preparation and strive to minimize conflict in the preparation of the research report. The analyst and Mirae Asset Sharekhan do not have any material conflict of interest or have not served as officers, directors or employees or engaged in market-making activity of the company. The analyst and Mirae Asset Sharekhan have not been a part of the team which has managed or co-managed the public offerings of the company, and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Ltd, or its associates, or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from a third party in the past twelve months in connection with the research report.

Either Mirae Asset Sharekhan or its affiliates or its directors or employees/representatives/clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. Mirae Asset Sharekhan may from time to time solicit from, or perform investment banking or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall Mirae Asset Sharekhan, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Sharekhan Ltd and its affiliates undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader/investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgment before taking any investment decision.

Investment in securities market are subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Mirae Asset Sharekhan has been ranked as India's No.1 Retail Broker by Asiamoney Brokers Poll 2023. For more details, visit [bit.ly/AsiamoneyPoll](https://bit.ly/AsiamoneyPoll)

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on [www.sharekhan.com](https://www.sharekhan.com)

---

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.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE - 748, NSE - 10733, MCX - 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

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

For any complaints/ grievances, email us at [igc@sharekhan.com](mailto:igc@sharekhan.com), or you may even call the Customer Service desk on 022-41523200/ 022-61151111.