

Commodity Morning View

July 16, 2025

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Dollar Index strengthen on expectation of delay in rate cuts

Key Points

- LME base metals retreats
- Gold retreats despite surge in inflation
- Crude oil retreats amid jump in API
- LME warehouse inventory climb up
- US PPI data in focus

Events to Watch

Data	Country	Event	Time	Previous	Forecast
16-Jul	US	DOE U.S. Crude Oil Inventories	20:00	7070k	--
16-Jul	US	PPI Final Demand MoM	18:00	0.10%	0.20%
16-Jul	US	PPI Final Demand YoY	18:00	2.60%	2.50%
16-Jul	US	New York Fed Services Business Activity	18:00	-13.2	--
16-Jul	US	Industrial Production MoM	18:45	-0.20%	0.10%
16-Jul	US	Manufacturing (SIC) Production	18:45	0.10%	-0.10%
16-Jul	US	Capacity Utilization	18:45	77.40%	77.40%

Macro

- The DJIA and the S&P500 fell 1% and 0.4% respectively, while the Nasdaq Composite Index rose 0.2%. The Eurostoxx 50 fell 0.3%. The Dollar Index rose 0.6% to 98.62 and EUR-USD fell 60 pips to 1.1600. The US 2Y yield rose 4bp to 3.94% and the 10Y yield gained 5bp to 4.48%. The German 10Y yield fell 2bp to 2.71% while the UK 10Y yield rose 3bp to 4.63%. Brent crude oil prices fell 0.7% to USD68.71 and gold dropped 0.6% to USD3,325
- US retail inflation on a month-on-month basis, rose 0.3% in June, up from 0.1% in May. Year-on year, CPI climbed to 2.7%, slightly above market expectations. The increase was largely driven by tariff-sensitive goods, with notable gains in household furnishings (+1.0% MoM), appliances (+1.9%), audio-visual equipment (+1.1%), and apparel (+0.4%). Core CPI rose 2.9%, in line with estimates. Food, transportation services, and used car prices increased, while energy costs fell less. Gasoline and fuel oil prices continued to decrease, and inflation for shelter and new vehicles slightly declined. Sentimentally positive for USD
- German investor expectations index rose to 52.7 in Jul from 47.5 in Jun, reflecting resilience of the German economy in the face of US tariff threats as the government ramps up spending.
- Trump announced a deal with Indonesia, which will pay a 19% tariff, while the US pays nothing. Indonesia committed to buying \$15 billion in US energy, \$4.5 billion in agricultural products, and 50 Boeing jets, including many 777s.
- Economic calendar – UK Inflation Rate, EU Balance of Trade, US PPI, US Industrial Production
- Silver fell from a nearly 14-year high as the dollar strengthened following Trump's trade tensions with the EU and Mexico. Silver dropped 0.5% to \$38.23 an ounce, having risen 32% this year, outperforming gold's 27% gain.

Base metals

- Base metals retreated on Tuesday amid weak real estate data from China, along with strengthening USD, which rallied for a ninth straight day and closed up 0.6%, to 98.62, the highest level in three weeks

- Copper edges lower in the early Asian trade, with the benchmark three-month LME contract down 0.1% at \$9,638.00 a ton. President Trump recently said that Washington will impose a 50% tax on imports of the metal. With the tariff implementation deadline on Aug. 1 approaching soon, there is limited time to ship copper to U.S. inventories without incurring the higher rate,
- Iron ore prices fell as China's crude steel production dropped sharply due to property sector challenges. Futures slid 1.6% amid mixed economic data showing weak demand. June steel output fell 9.2% year-on-year to 83.2 million tons.
- China's official GDP data indicate a loss of momentum in Q2, but the figures likely overstate the actual strength of growth, the economic outlook for the remainder of the year remains difficult, due to high tariffs, dwindling fiscal resources, and ongoing structural challenges. Growth is expected to slow further in the second half of the year.

Base Metals Monitor

Exchange	Commodity	Expiry	15-Jul-25	Daily Change	Daily % Change	14-Jul-25
LMEX	LMEX	-	4143	-1	-0.02%	4144
LME	Aluminium (\$)	-	2580	-12	-0.46%	2592
LME	Copper (\$)	-	9645	26	0.27%	9619
LME	Lead (\$)	-	1996	-7	-0.35%	2003
LME	Nickel (\$)	-	2724	0	0.00%	2724
LME	Zinc (\$)	-	2697	-33	-1.21%	2730
MCX	Aluminium	Jul	248.75	-0.2	-0.08%	248.95
MCX	Copper	Jul	884	1.5	0.17%	882.5
MCX	Lead	Jul	178	0	0.00%	178
MCX	Nickel	Jul	255.1	0	0.00%	255.1
MCX	Zinc	Jul	256.55	-1.55	-0.60%	258.1

LME Inventories

Exchange	Commodity	11-Jul-24	11-07-2024 (T.C.W)	Daily Stock change	Daily Canceled warrants	Daily % change stock	Daily % Change C.warrants
LME	Aluminium	400275	8225	4550	0	1.15%	0.00%
LME	Copper	108725	40975	625	25	0.58%	0.02%
LME	Lead	249375	54475	-3000	-3000	-1.19%	-1.19%
LME	Nickel	35840	-53640	-3375	-918	-8.61%	-2.34%
LME	Zinc	105250	33325	-350	-525	-0.33%	-0.50%

SHFE Inventories (tons)

Exchange	Commodity	11-Jul-25	Weekly Stock Change	Weekly % Change Stock	YTD
SHFE	Aluminium	103197	8565	9.05%	-48.71%
SHFE	Copper	81471	-3127	-3.70%	9.84%
SHFE	Lead	55149	1846	3.46%	6.42%
SHFE	Nickel	41331	525	1.29%	8.08%
SHFE	Zinc	49981	4617	10.18%	65.30%

Outlook: China economy is likely to experience further headwinds in 2H25, as softening property sales, diminishing policy effect of the trade-in scheme and strict alcohol ban on government employees weigh on consumption, and softening exports suppress manufacturing output and investment. The consumption has slowed in China while unemployment is seen rising, which is negative from the long term economic growth and demand for commodities. For the day we expect prices to retreat further.

Bullions

Bullion Daily Change

Exchange	Commodity	Expiry	15-Jul-25	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	3324	-19	-0.57%
Comex	Silver (\$)	Spot	37.7	-0.73	-1.90%
MCX	Gold	Aug	97208	-570	-0.58%
MCX	Silver	Sep	111351	-1564	-1.39%
Ratio	Gold:silver ratio	-	88.17	1.18	1.36%
Rupee	USD:INR	-	85.550	0.00	0.00%
Dxy	Dollar Index	-	98.61	0.53	0.54%
Bond	US-10 T.Yield	-	4.48	0.05	1.13%

- Gold fell for a second day on the back of a stronger USD, with the bullion slipping 0.6% to \$3,324 /oz.
- Mexico is the world's largest producer of silver, with an annual production of approximately 6,300 metric tons as of 2024, while US imports 40% of its silver demand from Mexico.

Outlook:

Gold may move sideways with some possible upside--increasing an additional 0%-5% in 2H, Gold has continued its record-setting pace, rising 26% in U.S. dollar terms in 1H. The renewed economic uncertainty due to Trump's aggressive stance on imposition of tariffs on its trading partner has lend support to gold prices, along with Fed's signalling of two rate cuts later in the year.

Comex Gold support: \$3300/3285 Resistance: \$3350/3365

Silver: Support is at \$ \$37 (Rs 108300) / Resistance is \$39.25 (Rs 115000).

Energy

Energy Price Monitor

Exchange	Commodity	Expiry	15-Jul-25	Change	Daily % Change	14-Jul-25
Nymex	Crude (\$)	Aug	66.52	-0.46	-0.69%	66.98
Nymex	Natural gas (\$)	May	3.52	0.06	1.73%	3.46
MCX	Crude	July	5716	-48.00	-0.83%	5764
MCX	Natural gas	July	304	4.20	1.40%	299.8

- Crude oil benchmarks extended their decline for the second consecutive trading session, with WTI and Brent falling by 0.7% to USD66.5/bbl and USD68.7/bbl, respectively. Lower oil prices were driven by easing concerns over near-term supply disruption. This followed US President Donald Trump's 50-day deadline for Russia to agree to a ceasefire with Ukraine.
- China's crude oil imports surged to 12.14 million barrels per day in June, marking a 7.4% year-on-year increase, driven by a sharp rise in deliveries from Saudi Arabia and Iran, , total imports reached 49.89 million tonnes in June, the highest monthly volume since March.

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	Distillate (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: Crude oil prices to remain buy on dip amid sanction threats on Russia, strong imports from China, while overall supply remain abundant, but OPEC has given a strong guidance for Q3 demand, keeping the overall sentiments positive for oil prices. The trend will remain positive for the week.

Crude oil Support: \$65, Resistance \$70.

Daily Price Monitor

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	Aluminium	July	244-252	Sell on rise
MCX	Copper	July	865-890	Sell on rise
MCX	Lead	July	175-180	Sell on rise
MCX	Nickel	July	2200-3	Sell on rise
MCX	Zinc	July	252-260	Sell on rise
MCX	Gold	Aug	96200-98000	Buy on dip
MCX	Silver	July	108500-113500	Sell on rise
MCX	Crude	July	5650-5950	Buy on dip
MCX	Natural gas	July	278-310	Buy on dip
Comex	Gold	Spot	\$3300-\$3365	Buy on dip
Comex	Silver	Spot	\$37.25-\$38.25	Sell on rise
Nymex	Crude oil	Aug	\$66-\$70	Buy on dip

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