

Commodity Morning View

July 17, 2025

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Copper under pressure amid rising inventories at Asian warehouses

Key Points

- LME warehouse stocks of metals on rise
- Gold rises amid Trump-Powell saga
- US commercial Crude inventories dips w/w
- US PPI inflation flattish in June
- UK's inflation surges in June

Events to Watch

Data	Country	Event	Time	Previous	Forecast
17-Jul	US	EIA Natural Gas Storage Change	20:00	53	--
17-Jul	US	Retail Sales Advance MoM	18:00	-0.90%	0.10%
17-Jul	US	Retail Sales Control Group	18:00	0.40%	0.30%
17-Jul	US	Import Price Index MoM	18:00	0.00%	0.30%
17-Jul	US	Import Price Index YoY	18:00	0.20%	0.30%
17-Jul	US	Initial Jobless Claims	18:00	227k	234k
17-Jul	US	Philadelphia Fed Business Outlook	18:00	-4	-1
17-Jul	US	NAHB Housing Market Index	19:30	32	33

Macro

- US equities whipsawed on conflicting headlines about Powell's fate as Fed chair before closing modestly higher after President Trump said he has no plans to fire Powell. The DJIA, the S&P500, and the Nasdaq Composite Index rose 0.5%, 0.3%, and 0.3% respectively. The Eurostoxx 50 fell 1.1%. The Dollar Index fell 0.2% to 98.39 and EUR-USD rose 40 pips to 1.1640. The US 2Y yield fell 5bp to 3.89% and the 10Y yield dipped 3bp to 4.46%. The German 10Y yield fell 2bp to 2.69% while the UK 10Y yield edged up 1bp to 4.64%. Brent crude oil prices fell 0.3% to USD68.52 while gold rose 0.7% to USD3,347
- US producer price index (PPI) was unchanged from a month earlier in Jun from an upwardly revised 0.3% gain in May. On a y/y basis, producer prices rose 2.3%, the least since Sep. The benign print suggests limited passthrough of higher US tariffs by manufacturers to their clients so far. Overall neutral to negative to USD.
- UK's June's inflation came in a shade higher than expected, accelerating to 3.6% y/y for headline and 3.7% y/y for core (May: +3.4% y/y and +3.5% y/y). Prices on a monthly basis also unexpectedly picked up to +0.3% from +0.2% m/m previously, with transport costs, particularly motor fuels, making the largest upward contribution to inflation, and more than offset the downward pressure from housing & household services, particularly owner occupiers' housing costs. Sentimentally negative GBP.
- Economic calendar – Eurozone: CPI, UK: Jobless claims, Unemployment, US: Retail sales, Initial jobless claims, Philadelphia Fed factory index, Business inventories. US retail sales will be of focus today as investors assess the effects of Trump's tariffs on consumer spending. After an outsized -0.9% drop in May.

Base metals

- Base metals rebounded on back of flattish US inflation and advancing industrial output data, additionally the Trump-Powell saga drifted Dxy down on Wednesday. The US Dollar Index (DXY) snapped its 9-day winning streak, falling as

much as 0.9% before paring a large part of the losses to close at 98.39 (-0.2%). Trump denied rumors about firing Fed Chairman Powell while again criticizing Powell for failing to cut interest rates.

- Trump stated he would send tariff letters to over 150 countries, with rates potentially set uniformly at 10% or 15%, further advancing his trade agenda, keeping tariff uncertainties alive
- Copper fell as LME stockpiles jumped 10,525 tons, the most since February, driven by Hong Kong deliveries. The city's new LME status and proximity to China enable quick flows, while U.S. tariff risks weigh on rerouting.
- Fundamentally, China's aluminum operating capacity dipped slightly due to replacement projects, with the proportion of liquid aluminum dropping to 74.78% and ingot casting rising. Cost side, alumina price hikes recently pushed costs upward. Demand side, most downstream sectors remain mired in off-season sluggishness, with seasonally high aluminum prices further suppressing demand.
- Overnight, LME zinc recorded a four-day losing streak, with the 5/20-day moving averages above exerting pressure and the lower Bollinger Bands providing support. Market sentiment fluctuated significantly due to rumors that Trump would fire Powell. The US dollar index plunged during the session, while the US PPI in June hit a new low since September 2024, causing the center of LME zinc to continue to decline.
- 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.

Base Metals Monitor

Exchange	Commodity	Expiry	16-Jul-25	Daily Change	Daily % Change	15-Jul-25
LMEX	LMEX	-	4134	-9	-0.22%	4143
LME	Aluminium (\$)	-	2577	-3	-0.12%	2580
LME	Copper (\$)	-	9635	-10	-0.10%	9645
LME	Lead (\$)	-	1976	-20	-1.00%	1996
LME	Nickel (\$)	-	2711	-13	-0.48%	2724
LME	Zinc (\$)	-	2711	14	0.52%	2697
MCX	Aluminium	Jul	248	-0.75	-0.30%	248.75
MCX	Copper	Jul	881.25	-2.75	-0.31%	884
MCX	Lead	Jul	178	0	0.00%	178
MCX	Nickel	Jul	255.1	0	0.00%	255.1
MCX	Zinc	Jul	256.4	-0.15	-0.06%	256.55

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's official GDP data for Q2 2025 suggests a loss of economic momentum, though the figures likely overstate the actual strength of growth. The outlook for the remainder of the year remains challenging due to several compounding factors, including elevated tariffs, shrinking fiscal capacity, and persistent structural issues. In the second half of the year, growth is expected to slow further as the economy faces additional headwinds. These include weakening property sales, the diminishing impact of the government's trade-in stimulus scheme, and a strict alcohol ban on government employees, which is expected to dampen consumption in related sectors. Moreover, softening exports are likely to suppress manufacturing output and investment. Rising unemployment is also a concern, as it negatively affects long-term economic growth and reduces demand for commodities. Given these pressures, commodity prices—particularly base metals—are expected to retreat further in the near term.

Bullions

Bullion Daily Change

Exchange	Commodity	Expiry	16-Jul-25	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	3347	23	0.69%
Comex	Silver (\$)	Spot	37.91	0.21	0.56%
MCX	Gold	Aug	97800	592	0.61%
MCX	Silver	Sep	111651	300	0.27%
Ratio	Goldsilver ratio	-	88.29	0.12	0.13%
Rupee	USDINR	-	85.960	0.41	0.48%
Dxy	Dollar Index	-	98.39	-0.22	-0.22%
Bond	US-10 T.Yield	-	4.45	-0.03	-0.67%

- Gold trimmed earlier gains after President Trump said he's "not planning" to fire Fed Chair Powell. The metal had surged as much as 1.6% before paring back.
- Silver is expected to trade range bound with tariff threats on Mexico, which 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, expect prices to trade with limited downside.

Outlook:

The medium term outlook for Gold may remain 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

Trumps 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: \$3365/3385

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

Energy

Energy Price Monitor

Exchange	Commodity	Expiry	16-Jul-25	Change	Daily % Change	15-Jul-25
Nymex	Crude (\$)	Aug	66.38	-0.14	-0.21%	66.52
Nymex	Natural gas (\$)	May	3.55	0.03	0.85%	3.52
MCX	Crude	July	5726	10.00	0.17%	5716
MCX	Natural gas	July	301	-3.00	-0.99%	304

- Oil edged higher after a three-day slide, with WTI near \$67 and Brent below \$69, as traders weighed mixed U.S. inventory data and fresh trade war developments. Crude stockpiles fell, while distillate inventories rose.
- 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	16-Jul-25	9-Jul-25	Weekly Change	Weekly % Change
Million barrel	Crude reserves(MB)	422.16	426.01	-3.85	-0.90%
Million barrel	Cushing stocks (MB)	21.4	21.19	0.21	0.99%
Million barrel	Gasoline (MB)	232.86	229.46	3.4	1.48%
Million barrel	Distillate (MB)	106.97	102.79	4.18	4.07%
Million barrel	US Daily output (MB/d)	13.37	13.43	-0.06	-0.45%
Million barrel	Implied oil demand (MB/D)	19.80	19.80	0	0.00%
Percent	Capacity utilisation (%)	93.9	94.7	-0.8	-0.84%
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	96800-98500	Buy on dip
MCX	Silver	July	108500-113500	Sell on rise
MCX	Crude	July	5650-5950	Buy on dip
MCX	Natural gas	July	285-315	Buy on dip
Comex	Gold	Spot	\$3320-\$3385	Buy on dip
Comex	Silver	Spot	\$37.25-\$38.25	Sell on rise
Nymex	Crude oil	Aug	\$65-\$68	Buy on dip

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