

Commodity Morning View

October 31, 2025

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Base metals retreats as trade negotiation optimism outcome fades

Key Points

- China official Mfg contracts to six months low
- Gold rallies amid renewed trade uncertainty
- Crude retreats as OPEC+ expected to raise output in December
- Dollar index surged to three months high amid hawkish FOMC
- Boj and ECB kept rates unchanged.

Events to Watch

Data	Country	Event	Time	Previous	Forecast
31-Oct	CNY	Manufacturing PMI (Oct)	07:00	49.8	49.7
31-Oct	CNY	Non-Manufacturing PMI (Oct)	07:00	50	50.2
31-Oct	EUR	German Retail Sales (MoM) (Sep)	12:30	-0.20%	0.30%
31-Oct	EUR	Core CPI (YoY) (Oct)	15:30	2.40%	2.30%
31-Oct	EUR	CPI (YoY) (Oct)	15:30	2.20%	2.10%
31-Oct	EUR	CPI (MoM) (Oct)	15:30	0.10%	--
31-Oct	USD	Atlanta Fed GDPNow (Q4)	21:00	--	--
31-Oct	USD	FOMC Member Bostic Speaks	21:30	--	--

Macro

- The DJIA, the S&P500, and the Nasdaq Composite Index fell 0.2%, 1%, and 1.6% respectively. The Eurostoxx 50 dipped 0.1%. The Dollar Index rose 0.3% to 99.53 and EUR-USD dipped nearly 40 pips to 1.1560. The US 2Y yield edged up 1bp to 3.61% after climbing by 11bp on Wednesday. The US 10Y yield gained 2bp to 4.10% after climbing 10bp on Wednesday. The German 10Y yield rose 2bp to 2.64% and the UK 10Y yield rose 3bp to 4.42%. Brent crude oil prices edged up 0.1% to USD65.00. Gold rose 2.4% to USD4,025, the first increase after dropping for the past four consecutive sessions. The broad dollar index (DXY) rebounded 0.3% higher on Thu to 99.53, highest in 3 months as the Fed curbed speculation of interest-rate cuts this year
- China's October official manufacturing PMI hits six-month low of 49%, down 0.8 point.- Production and new orders in manufacturing fell to 49.7% and 48.8%.- Large enterprises lead manufacturing with 49.9% production and 50.1% new orders.- High-tech, equipment, and consumer products sectors expanded (PMI 50.5%, 50.2%, 50.1%). Non-manufacturing PMI rose to 50.1%, entering expansion. - Services activity strengthens at 50.2%, supported by travel, accommodation, and entertainment. Negative for industrial commodities.
- The ECB kept its refinancing rate unchanged at 2.15% and policymakers indicated data will guide rates direction whilst inflation looks to hover near their 2% target. ECB said the labour market is 'robust' and private sector balance sheets are 'solid'. Meanwhile, Eurozone GDP in 3Q2025 was +0.2% q/q, a slightly better reading than +0.1% in the quarter before and consensus of +0.1%.
- Germany's inflation rate fell to 2.3% in October from 2.4% in September, surpassing the anticipated 2.2%. Slower price growth in goods, especially food, and accelerated deflation in energy influenced the drop, while services inflation rose slightly, maintaining core inflation at 2.8%. Monthly consumer prices rose by 0.3%.

Base metals

- The base metals retreated sharply overnight as markets were disappointed by the trade negotiation outcome as kind of circumvent activity to avoid the tariff extension deadline of 90 days.
- Notable outcomes of US-China trade negotiation
 - average tariffs on Chinese imports would be cut to 47% from 57%,
 - US to lower fentanyl tariff to 10% from the current 20%,
 - US to postpone plans to impose Section 301 port fees on Chinese-owned or Chinese-built vessels,
 - China agrees to pause export controls announced this month on rare earth materials which China says would last for one year,
 - Trump says China would buy "tremendous amounts" of US soybeans and farm products "starting immediately".
- The trade agreement between US-China is more a tactical pause to avoid the 90-days trade truce which is to be ended on November 10. The negotiation falls short of reaching any comprehensive agreement that addresses issues at the heart of the US-China economic competition. Sentimentally negative for broader markets.
- LME index up 18% YTD (to 4,650), driven by copper's 25% rally on supply concerns like Grasberg's -35% cut (270kt in 2026), tightening deficits to 300,000-500,000 tons, though zinc/aluminum/lead production in China advanced 3-7% y-o-y.
- Demand lacklustre overall, with China's 3% industrial growth and US manufacturing PMI at 47.2 signaling weakness, but copper benefits from EV/renewables (35 Mt demand forecast); zinc/aluminum face surplus risks (121,000 tons for zinc).

Base Metals Monitor

Exchange	Commodity	Expiry	30-Oct-25	Daily Change	Daily % Change	29-Oct-25
LMEX	LMEX	-	4615	-85	-1.81%	4700
LME	Aluminium (\$)	-	2863	-24	-0.83%	2887
LME	Copper (\$)	-	10917	-266	-2.38%	11183
LME	Lead (\$)	-	2022	-4	-0.20%	2026
LME	Nickel (\$)	-	15230	-136	-0.89%	15366
LME	Zinc (\$)	-	3037	-45	-1.46%	3082
MCX	Aluminium	Nov	270.35	-1.65	-0.61%	272
MCX	Copper	Nov	1012	-9	-0.88%	1021
MCX	Lead	Nov	183.3	0.05	0.03%	183.25
MCX	Nickel	Nov	1317	0	0.00%	1317
MCX	Zinc	Nov	300.1	-1.7	-0.56%	301.8

LME Inventories

Exchange	Commodity	24-Oct-25	24-10-2025 (T.C.W)	Daily Stock change	Daily Canceled warrants	Daily % change stock	Daily % Change C.warrants
LME	Aluminium	470950	65400	-2175	-2075	-0.46%	-0.44%
LME	Copper	135850	10150	-500	-200	-0.37%	-0.15%
LME	Lead	236875	158900	1500	0	0.64%	0.00%
LME	Nickel	230904	6204	-600	-600	-0.26%	-0.26%
LME	Zinc	36600	8800	-1000	-1000	-2.66%	-2.66%

SHFE Inventories (tons)

Exchange	Commodity	24-Oct-25	Weekly Stock Change	Weekly % Change Stock	YTD
SHFE	Aluminium	118168	-3860	-3.16%	-41.26%
SHFE	Copper	104792	-5448	-4.94%	41.28%
SHFE	Lead	36333	-5368	-12.87%	-29.89%
SHFE	Nickel	36075	1656	4.81%	-5.66%
SHFE	Zinc	109168	-459	-0.42%	261.05%

Outlook: Base metals remain under pressure as the US and China face economic slowdowns in 2026, with US GDP projected at 1.7% and China at 4.2% (IMF forecasts), curbing industrial demand; global growth at 2.8% (down from 3.3% in 2024) adds headwinds.

Bullions

Bullion Daily Change

Exchange	Commodity	Expiry	30-Oct-25	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	3037	-893	-22.72%
Comex	Silver (\$)	Spot	48.92	1.37	2.88%
MCX	Gold	Dec	121380	681	0.56%
MCX	Silver	Dec	148650	2510	1.72%
Ratio	Goldsilver ratio	-	62.08	-20.57	-24.89%
Rupee	USDINR	-	88.660	0.45	0.51%
Dxy	Dollar Index	-	99.52	0.3	0.30%
Bond	US-10 T.Yield	-	4.09	0.02	0.49%

- Gold rebounded as traders digested the Trump–Xi meeting, rising as much as 2.5% after a near-5% four-session slide. Trump called it “amazing,” saying China will halt rare-earth controls and resume US soybean purchases, while Xi signalled willingness to cooperate on trade, the World Gold Council reported that global central banks raised their holdings of gold by 28% in 3Q2025.

Outlook:

We maintain a bullish outlook for gold and silver into 2026, The ongoing US-China trade negotiations, with the Xi-Trump summit concluded on October 30, 2025, reaffirm our view that persistent geopolitical unpredictability between these nations will continue to drive precious metal prices higher.

Energy

Energy Price Monitor

Exchange	Commodity	Expiry	30-Oct-25	Change	Daily % Change	29-Oct-25
Nymex	Crude (\$)	Dec	60.57	0.09	0.15%	60.48
Nymex	Natural gas (\$)	Nov	3.96	0.15	3.94%	3.81
MCX	Crude	Nov	5392	17.00	0.32%	5375
MCX	Natural gas	Nov	348.4	8.40	2.47%	340

- OPEC+ could hike output again in Dec (est. 137kbpd) as new US sanctions on Russia stoke uncertainty about global oil supply. The output hike could increase market anxiety over a global supply glut, since the oil market still faces demand risks and China might halt the build-up of its strategic reserve.

EIA Inventories

Unit	Commodity	23-Oct-25	23-Oct-25	Weekly Change	Weekly % Change
Million barrel	Crude reserves(MB)	415.96	422.8	-6.84	-1.62%
Million barrel	Cushing stocks (MB)	22.56	22	0.56	2.55%
Million barrel	Gasoline (MB)	210.73	216.7	-5.97	-2.75%
Million barrel	Distillate (MB)	112.18	115.6	-3.42	-2.96%
Million barrel	US Daily output (MB/d)	13.64	13.629	0.011	0.08%
Million barrel	Implied oil demand (MB/D)	8.92	8.45	0.47	5.56%
Percent	Capacity utilisation (%)	86.6	85.7	0.9	1.05%
Billion cubic feet	Natural gas(Bcf)	3808	3641	167	4.59%

Outlook: Short-term bullish momentums appear to have faded, and the overhand of supply glut will keep oil prices under pressure, the news of OPEC looking to raise output further have already dampened sentiments. we expect WTI to avg \$56 by end of yr, while broader trading would remain in \$58-\$63.

Daily Price Monitor

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	Aluminium	Nov	266-273	Sell on rise
MCX	Copper	Nov	995-1025	Sell on rise
MCX	Lead	Nov	180-186	Sell on rise
MCX	Nickel	Nov	2200-3	Sell on rise
MCX	Zinc	Nov	294-304	Sell on rise
MCX	Gold	Dec	119500-122500	Buy on dips
MCX	Silver	Dec	144500-149000	Buy on dips
MCX	Crude	Nov	5200-5500	Sell on rise
MCX	Natural gas	Oct	335-370	Sell on rise
Comex	Gold	Spot	\$3925-\$4100	Sell on rise
Comex	Silver	Spot	\$47-\$49.95	Sell on rise
Nymex	Crude oil	Dec	\$58-\$62	Sell on rise

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