

Commodity Weekly

August 04, 2025

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Global manufacturing activity shrinks in July

Weekly Price Change

Bullion weekly price change

Commodity	01-Aug-25	25-Jul-25	Weekly Change %	YTD
Gold (\$)	3363	3337	0.78%	28.16%
Silver (\$)	37.03	38.16	-2.96%	28.13%
Gold	99735	98764	0.98%	29.90%
Silver	110190	113130	-2.60%	26.33%
Goldsilver ratio	90.81	87.45	3.85%	0.02%
USDINR	87.63	86.32	1.52%	2.36%
Dollar Index	99.14	97.64	1.54%	-8.61%
US-10 T.Yield	4.21	4.38	-3.88%	-7.68%

Source: Bloomberg

Base Metals Weekly Price Monitor

Commodity	01-Aug-25	25-Jul-25	Weekly	YTD
LMEX	4,132.0	4,219.0	-2.06%	5.81%
Aluminium (\$)	2,566.0	2,636.0	-2.66%	0.59%
Copper (\$)	9,630.0	9,770.0	-1.43%	9.83%
Lead (\$)	1,971.0	2,014.0	-2.14%	0.97%
Nickel (\$)	2,727.0	2,862.0	-4.72%	-10.15%
Zinc (\$)	2,727.0	2,824.0	-3.43%	-8.43%
Aluminium	249.5	254.2	-1.87%	3.08%
Copper	880.0	896.2	-1.81%	11.11%
Lead	178.0	178.0	0.00%	0.08%
Nickel	267.3	267.3	0.00%	-5.21%
Zinc	262.0	267.5	-2.07%	-6.11%

Source: Bloomberg

Energy Weekly Price Change %

Commodity	25-Jul-25	01-Aug-25	Weekly Change	YTD
Crude (\$)	65.16	67.33	3.33%	-6.12%
Natural gas (\$)	3.1	3.08	-0.65%	-15.15%
Crude	5643	5881	4.22%	-4.73%
Natural gas	274	272	-0.73%	-12.26%

Source: Bloomberg

Macro-economic headlines

- Global manufacturing activity disappointed markets in July. In the US, the ISM Manufacturing showed that 7 of 18 industries grew, down slightly from nine in June. The ISM Manufacturing Index fell one point to 48.0 in July, coming in well below the market consensus forecast for a modest improvement to 49.5.
- The employment index headed further into contractionary territory (-1.6 points to 43.4), while inventories ticked lower (-0.3 points to 48.9).
- US July payrolls came in weak at 73,000, while figures for the previous two months were revised downward substantially, to 14,000 for June and 19,000 for May; these leave three-month average at 35K and six-month average at 81,000, well below those for most of the months in the 2013-2019 period to which we like to make comparison when the Fed funds rates were at or below 2.5% then.
- UST yields plunged on the payroll report, in a steepening manner as market added back to rate cut expectations. Fed funds futures last priced an 82% chance of a 25bp cut at September FOMC meeting, a total of 58bps of cuts this year and 72 bps of cuts in 2026.
- Given the complexity of the topics, exact outcomes would be hard to predict. Lately, we saw signs of softer stances of both sides, for example China's exports of rare earth permanent magnet rebounded to 353 thousand kg in June from a record low of 46,000 kg in May, despite still a low level compared to 2024 monthly average.
- The two-year US treasury yield stood at 3.69% appears mostly in line with current market pricing of rate cuts – although this is slightly more dovish than our base-case, the valuation does not look overly stretched.
- US Dollar plunged on release of payrolls report on August 1. Most USD/Asean FX was also trading lower this morning, catching up on the US Dollar pullback. The USD turned sharply lower on release of payrolls report last Fri. Most USD/Asean FX was also trading lower this morning, catching up on the USD pullback.
- US June inflation data showed a rebound, Market uncertainty surrounding countries without US trade agreements heightened risk-off sentiment.

Bullion News

Fed rate cut optimism drive gold higher amid softer Jobs data

- Total known global gold ETF holdings stood at 91.719MOz, near 3-year high as holdings have increased 10.70% YTD.
- The Dollar Index snapped a 6-day winning streak and fell 0.8% to 99.14 on August 1. It still managed to gain 1.5% for the week.
- The US two-year yield collapsed over 27 bps to 3.68% on August 1 and down 24 bps for the week. The US 10-year yield fell 16bp to 4.22% on August 1 and down 17 bps for the week.

Bullion

Bullion traded near \$3,360 an ounce, after rising 2.2% in the previous session while equities dipped. The precious metal's

jump was driven by two main factors: a dramatic slowdown in US hiring report that fuelled rate-cut bets, and President Donald Trump's roll-out of some of the steepest trade tariffs since the 1930s.

The long-term story of gold remains intact as US debt is nowhere to be reducing in next 4 years of Donald trump regime, the trade tariffs will have an adverse effect on global economic progression due to inflationary pressure, which may push global central banks to remain net buyer of gold in coming years.

Silver may see a higher correlation with copper in coming week and any weakness in copper could see silver testing support of \$35, due to its higher usage in the industrial segment. The white metal's impressive 33% rise this year, outpacing gold, indicates strong demand. However, the fact that most of the silver in London is held by exchange-traded funds (ETFs) means it's not readily available for lending or buying, contributing to market tightness.

Outlook:

Gold: Buy on dips, Support \$3300/3285, Resistance \$3400/\$3435.

Silver: Support is at \$35.5 (Rs 105,000) / Resistance is \$38 (Rs 115,000).

Energy

OPEC+ completes production cuts restoration

Energy weekly Inventory change (%)

Commodity	30-Jul-25	23-Jul-25	Weekly change (%)	YTD
Crude reserves(MB)	426.69	418.99	1.84%	2.38%
Cushing stocks (MB)	22.55	21.86	3.16%	-6.82%
Gasoline (MB)	228.4	231.12	-1.18%	2.12%
Distillate (MB)	113.53	109.9	3.30%	-2.52%
US Daily output (MB/d)	13.31	13.27	0.30%	-1.99%
Implied oil demand (MB/D)	19.8	19.8	0.00%	-9.30%
Capacity utilisation (%)	95.4	95.5	-0.10%	3.14%
Natural gas(Bcf)	3123	3075	1.56%	34.32%

Source: Bloomberg

OPEC+ Meeting Summary – August 2025

- Decision: OPEC+ agreed to increase oil output by 0.547 million barrels per day (mbpd) in September 2025. This increment is part of a gradual rollback of the 2.2 mbpd production cuts initiated in 2023.
- Forward Guidance: The tone suggests a pause or potential reversal in supply increases if market conditions weaken.
- Restoration of productions cuts is tactful decision from cartel as they believe that sanction on Russia energy products could tighten the markets. Meanwhile India which has been buying (45-50)%, of its total crude oil demand has been slapped with penalty for buying Russian oil this puts in the region of 1.7m b/d of supply at risk if Indian refiners stop buying Russian oil.

Implications for the Oil Market

- Seasonal Demand: The increase aligns with the tail end of the summer demand peak, especially in the Northern Hemisphere.
- Inventory Trends: As demand softens post-summer, rising inventories could pressure prices unless demand surprises to the upside.
- US oil rig count saw yet another week of declines, despite more stable prices in recent weeks, the oil rig count fell by 7 over the last week to 415, the lowest level since September 2021. Rig activity in the US has

fallen for thirteen consecutive weeks, declining almost 13% over this period.

Strategic Takeaways

- The group appears to be balancing between supporting prices and responding to global demand. With macroeconomic headwinds (e.g., inflation, manufacturing slowdown), oil demand growth may moderate, reinforcing the view that OPEC+ will tread cautiously going forward.

Outlook:

The resilient Chinese economy, the falling crude oil production, stable summer crude oil demand and fear of sanction on Russian energy products from EU, has kept crude oil market tight in near term. The WTI calendar spread remains in backwardation expect the short-term tightness to continue supporting prices.

Weekly outlook: WTI support - \$64; MCX – Rs. 5650. Strategy – Sell-on-rise

Base metals

Base metals to underperform as manufacturing activities contract amid tariff pressures

- The implementation of a new round of tariff hikes by the US, involving major trading partners such as Canada and Brazil, has escalated trade barriers and heightened concerns about global economic growth, negatively impacting the demand outlook for industrial metals.
- Fundamentals:** Supply side, domestic (China) operating capacity remained stable,
- Copper registered a second weekly decline in London down 1.4%, as the market digested the impact of President Donald Trump's shock decision to exempt refined forms of the metal from hefty US import tariffs. Copper has plunged by more than 20% this week.
- Copper prices may come under pressure in the near term due to the unwind of the US copper tariff trade, we remain structurally constructive on the fundamental outlook for copper, but have become more
- cautions on the near-term outlook as we are concerned that the physical market has been distorted by tariffs.
- Russia exported over 564,000 tonnes of copper to China in 1H25, generating \$3.3bn in revenue, while making a 2.5-fold y-o-y jump.
- China's overall electric vehicle (EV) market remains sluggish as consumers await new model launches and policy updates from the government and automakers. The July EV data from Chinese automakers was soft due to seasonal factors and the government's recent crackdown on "toxic" price competition. Most Chinese EV manufacturers have experienced subdued orders and deliveries over the past four to five weeks. Despite attempts to curb price wars in China's auto market, competition is likely to intensify further in the near future.
- We expect that the substantial build-up of copper inventories in the U.S. is now expected to be reduced, which will weaken US copper demand. Comex copper stockpiles reached a 21-year high as buyers had anticipated wider US copper tariffs than what were actually imposed. We see copper prices to average between \$4.20-4.25 per pound in 2025 and \$4.15 per pound in 2026. The recent copper market developments have clearly illustrated how trade policy uncertainty can impact the economy, markets, and prices, LME Copper is expected to slide towards Rs 865 level at MCX during the week, we advise selling the metal in the range of Rs 890-895 for the lower targets

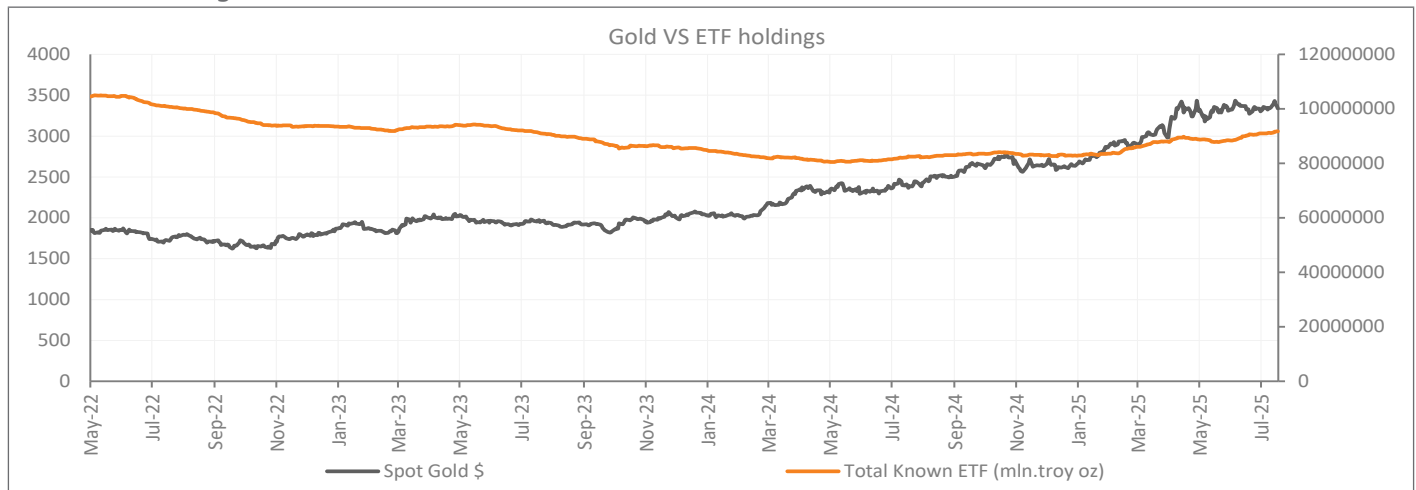
- **Aluminium:** Global aluminium is witnessing inventory build-up, domestic aluminium social inventory stood at 564,000 MT on August 4, up 20,000 MT w-o-w. MCX Aluminium weekly trading range for August contract: Rs 246-254: Sell into rallies
- **Zinc** recorded three consecutive negative sessions, with the middle rail of the Bollinger Bands forming resistance. The unexpected disappointment in non-farm payrolls data on August 1 indicated a weak US job market, raising market concerns about the US economic outlook and causing the center of LME zinc to move lower is expected to ease during the week, while spread remain in Contango, we expect metals to remain sideways to sell for the week. Sell into rallies.

Base metals weekly stock change (%);

Commodity	LME Weekly Stock Change (KT)	LME Weekly Change(%)	SHFE Weekly Stock change (KT)	SHFE Weekly Change (%) Stock
Aluminium	462.8	2.66%	117.5	1.50%
Copper	144.75	12.67%	72.6	-1.20%
Lead	273.45	2.69%	61.4	-0.05%
Nickel	35.24		42.9	
Zinc	100.825	-12.91%	58.7	4.09%

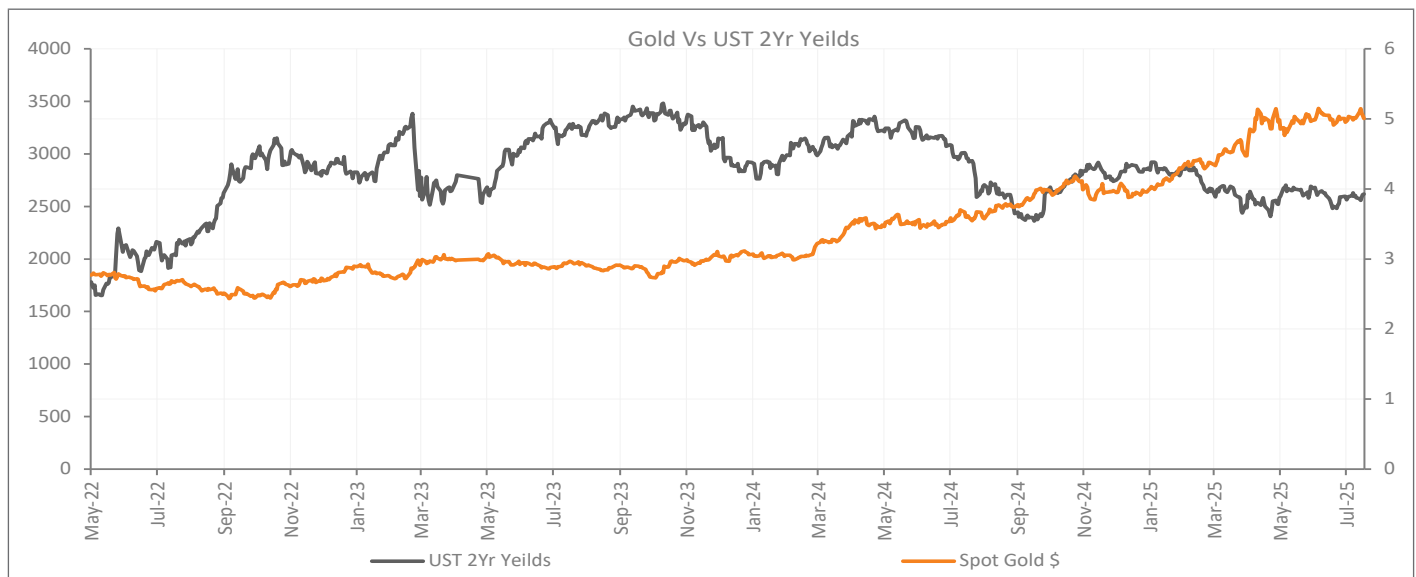
Source: LME \$ SHFE

Gold VS ETF holdings



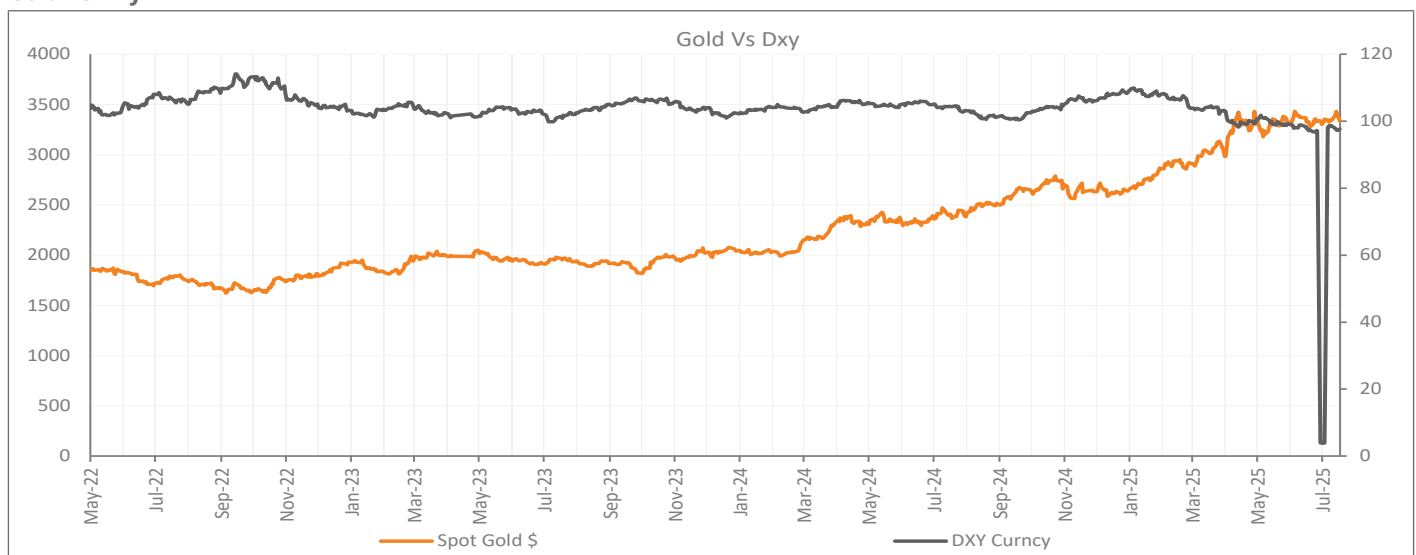
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Gold Vs UST 2Yr Yields



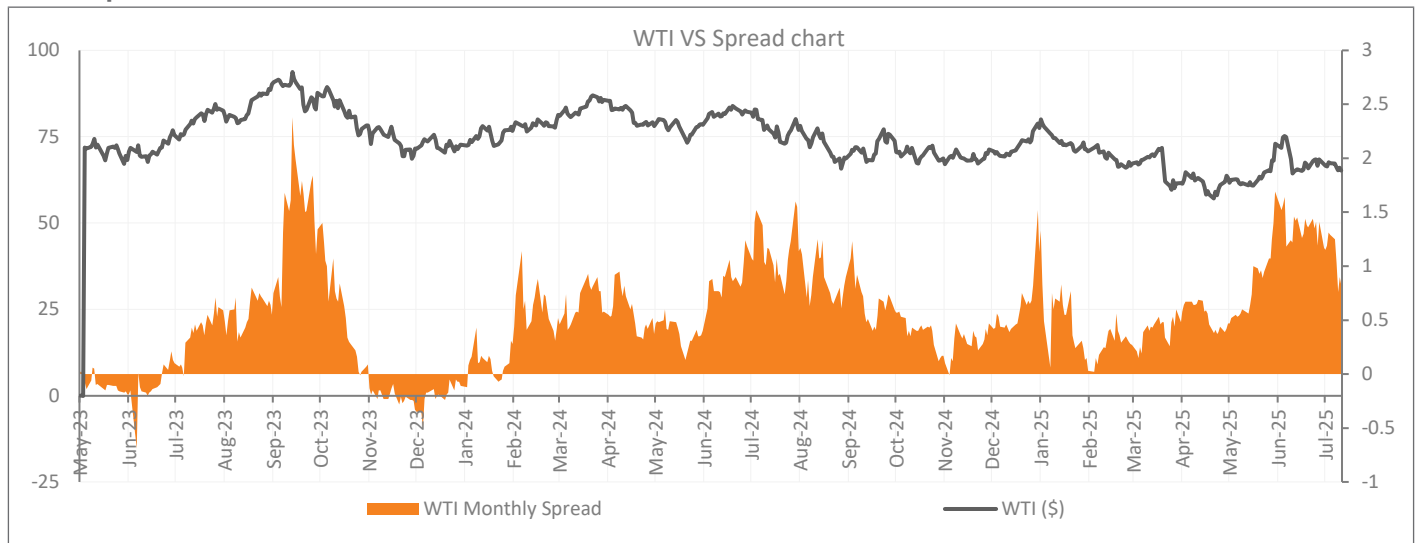
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Gold Vs Dxy



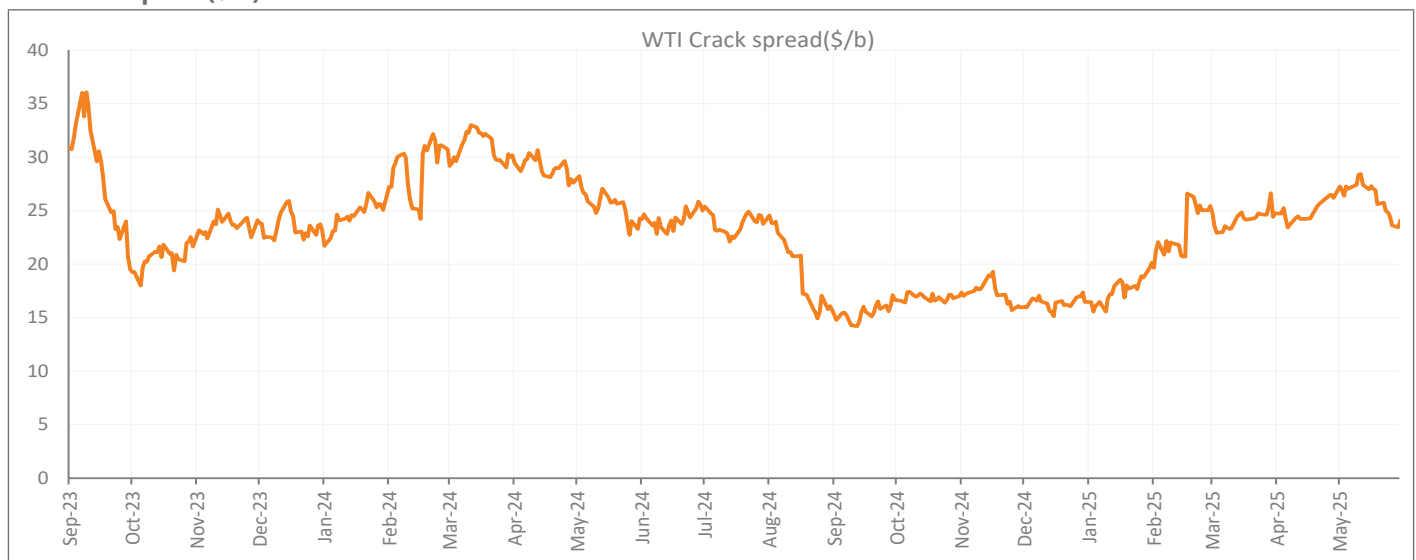
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WTI VS Spread chart



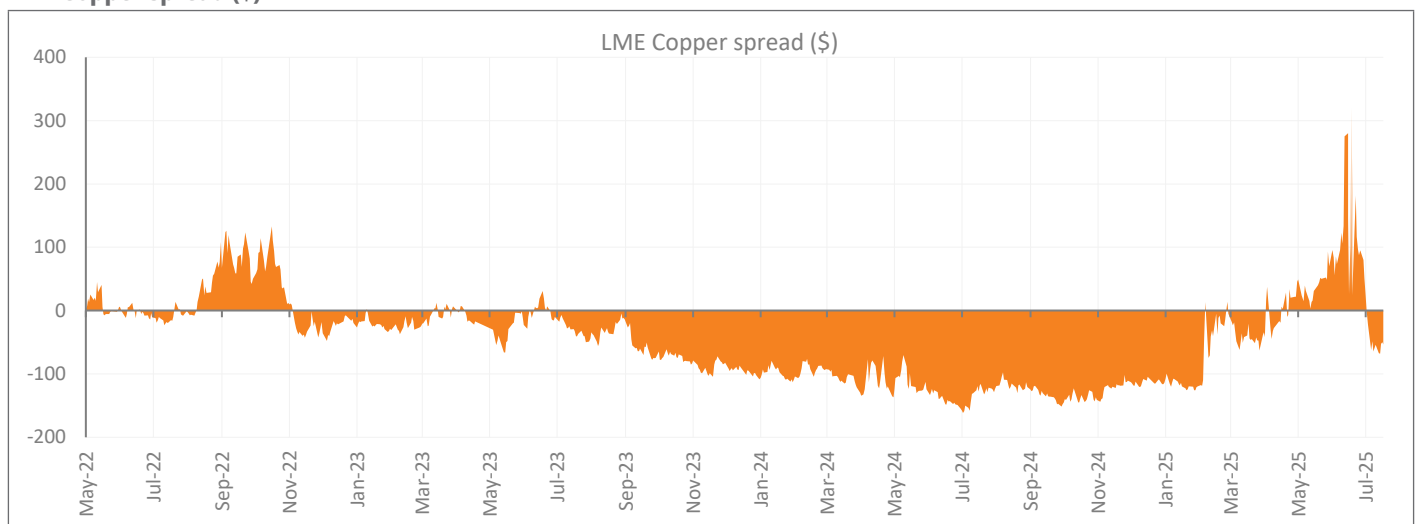
Source: Bloomberg

WTI Crack spread(\$/b)



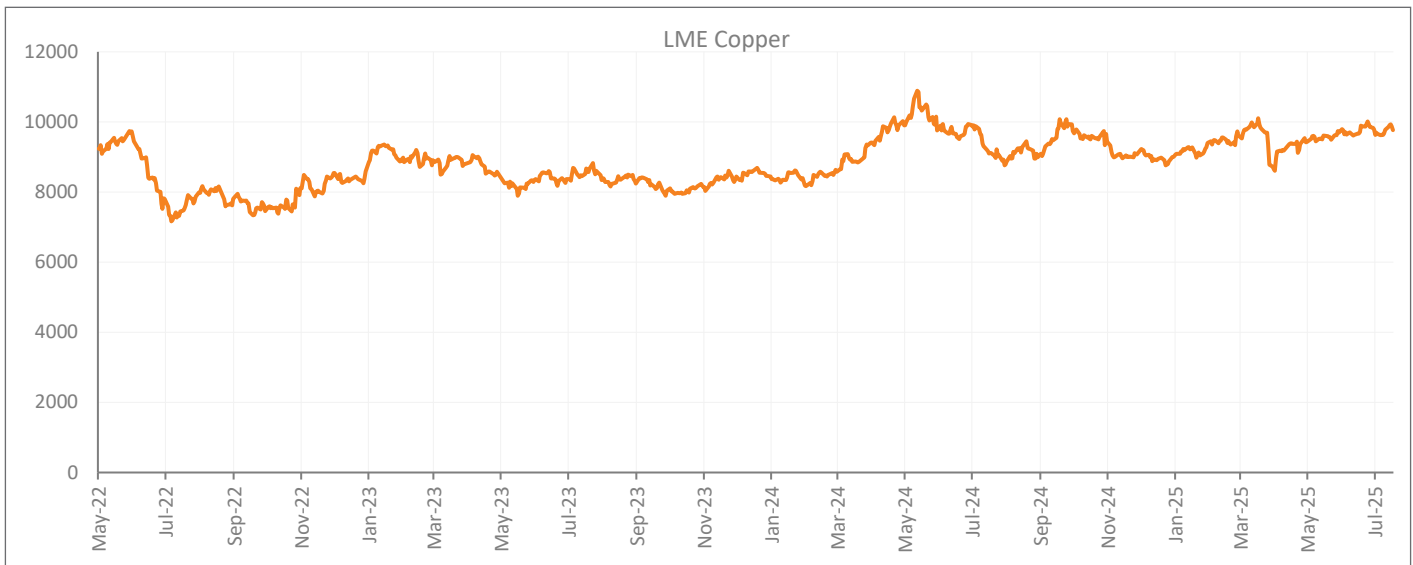
Source: Bloomberg

LME Copper spread (\$)



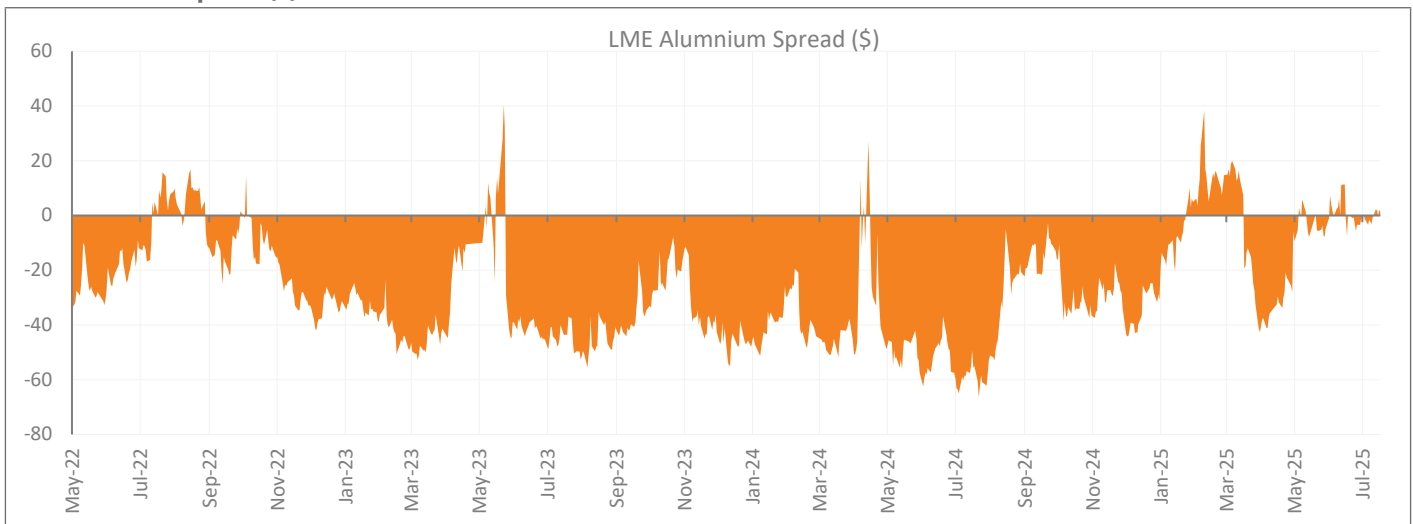
Source: Bloomberg

LME Copper



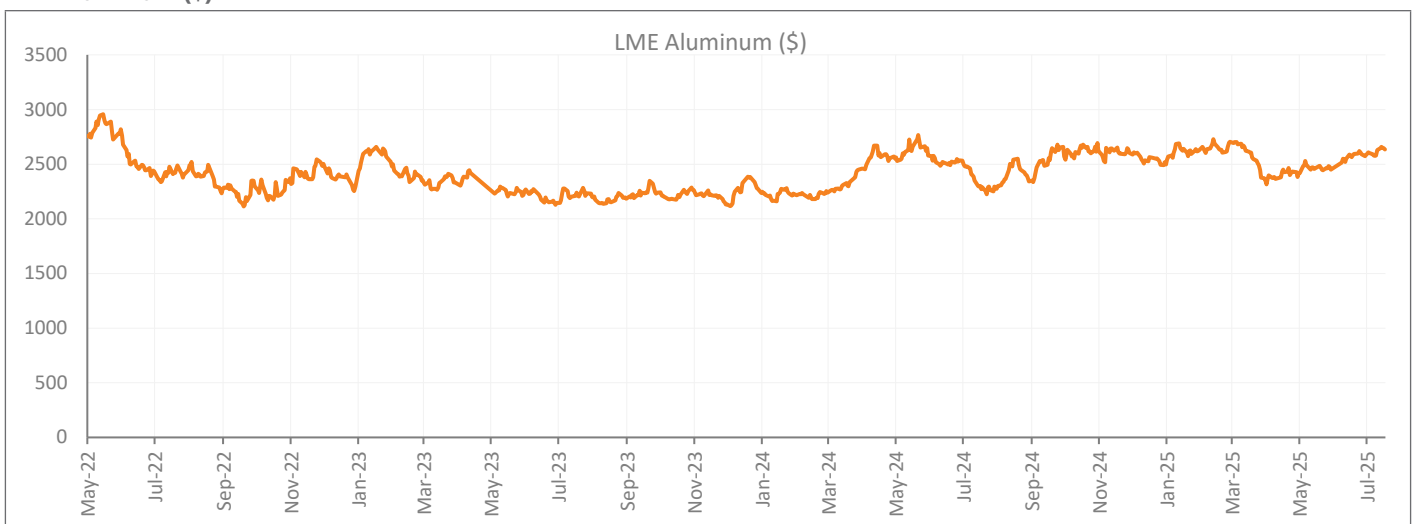
Source: Bloomberg

LME Aluminium Spread (\$)



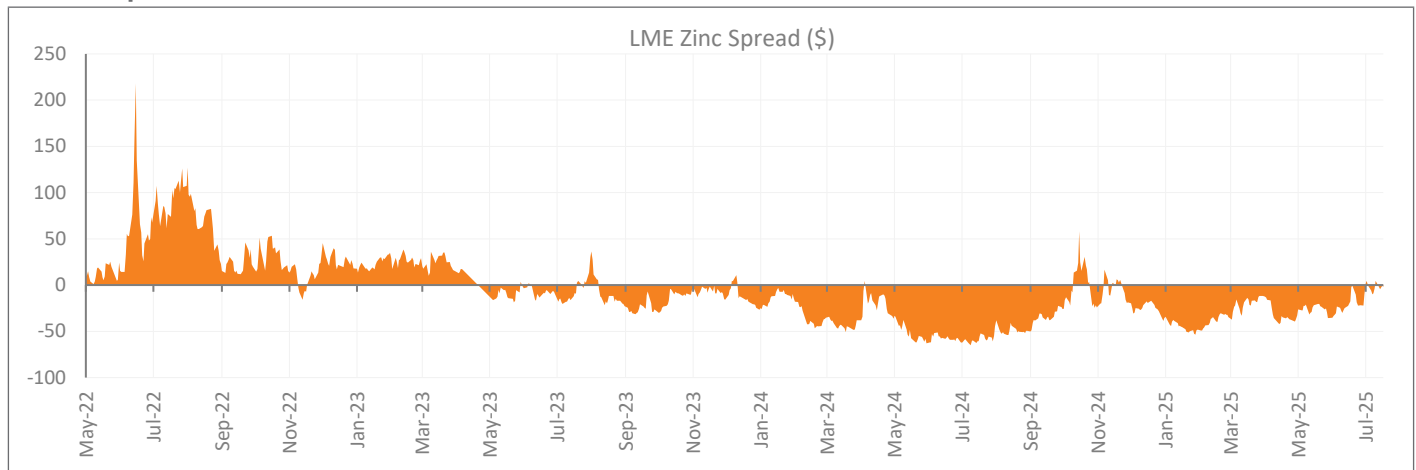
Source: Bloomberg

LME Aluminum (\$)



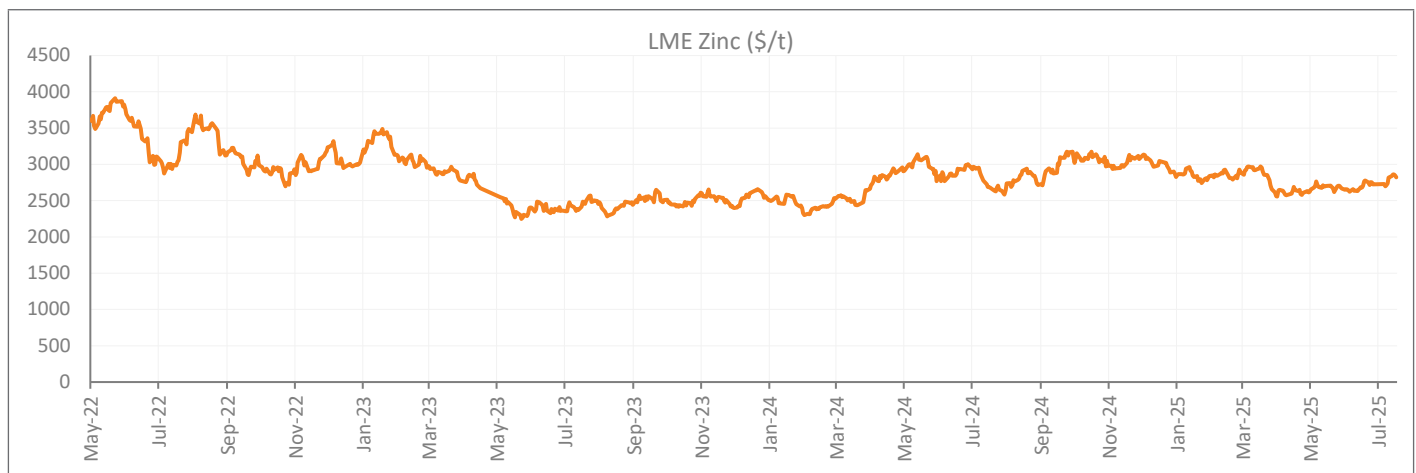
Source: Bloomberg

LME Zinc Spread (\$)



Source: Bloomberg

LME Zinc



Source: Bloomberg

Weekly Event Calendar

Weekly economic calendar (August-04 to August-08)

Date	Region	Event	Time	Prior	Surv(M)	Impact
04-Aug	US	Factory Orders	19:30	8.20%	-4.80%	Medium
04-Aug	US	Factory Orders Ex Trans	19:30	0.20%	0.20%	Medium
04-Aug	US	Durable Goods Orders	19:30	-9.30%	-9.30%	Medium
04-Aug	US	Durables Ex Transportation	19:30	0.20%	0.20%	Medium
05-Aug	CH	S&P Global China PMI Services	7:15	50.6	50.4	Medium
05-Aug	US	Exports MoM	18:00	-4.00%	--	Medium
05-Aug	US	Imports MoM	18:00	-0.10%	--	Medium
05-Aug	US	S&P Global US Services PMI	19:15	55.2	55.1	Medium
05-Aug	US	S&P Global US Composite PMI	19:15	54.6	--	Medium
05-Aug	US	ISM Services Index	19:30	50.8	51.5	Medium
05-Aug	US	ISM Services Prices Paid	19:30	67.5	--	Medium
05-Aug	US	ISM Services New Orders	19:30	51.3	--	Medium
05-Aug	US	ISM Services Employment	19:30	47.2	--	Medium
06-Aug	GE	Factory Orders MoM	11:30	-1.40%	1.00%	Medium
06-Aug	GE	Factory Orders WDA YoY	11:30	5.30%	2.10%	Medium
06-Aug	US	DOE U.S. Crude Oil Inventories	20:00	7698k	--	Medium
06-Aug	US	DOE Cushing OK Crude Inventory	20:00	690k	--	Medium
06-Aug	US	DOE U.S. Gasoline Inventories	20:00	-2724k	--	Medium
06-Aug	US	DOE U.S. Distillate Inventory	20:00	3635k	--	Medium
06-Aug	US	DOE U.S. Refinery Utilization	20:00	-0.10%	--	Medium
07-Aug	US	EIA Natural Gas Storage Change	20:00	48	--	Medium
07-Aug	CH	Trade Balance		\$114.77b	\$105.55b	Medium
07-Aug	CH	Exports YoY		5.80%	5.50%	Medium
07-Aug	CH	Imports YoY		1.10%	-1.00%	Medium
07-Aug	US	Nonfarm Productivity	18:00	-1.50%	2.00%	Medium
07-Aug	US	Unit Labor Costs	18:00	6.60%	1.50%	Medium
07-Aug	US	Initial Jobless Claims	18:00	218k	221k	Medium
07-Aug	US	NY Fed 1-Yr Inflation Expectations	20:30	3.02%	--	Medium

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