

January 25, 2022

## Daily Commodities Outlook

### Recommendations for the day

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold mini	Feb	Buy	48400-48450	48750	48200	Intraday
Metldex	Feb	Sell	18080-18100	17930	18200	Intraday

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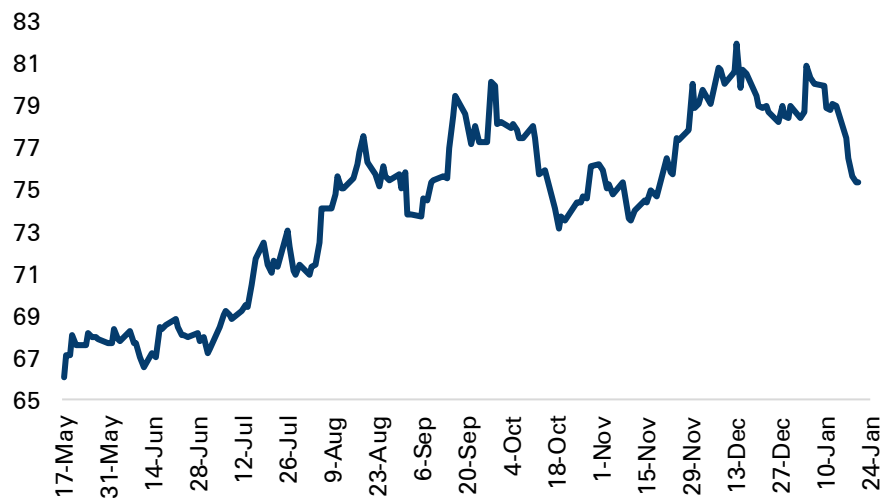
## Bullion Futures

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	48599	0.73%	1841.65	0.54%
Silver	63987	-1.26%	23.81	-2.11%
MCXBULLDEX	14310	-0.10%	-	-

## MCX Pivot levels

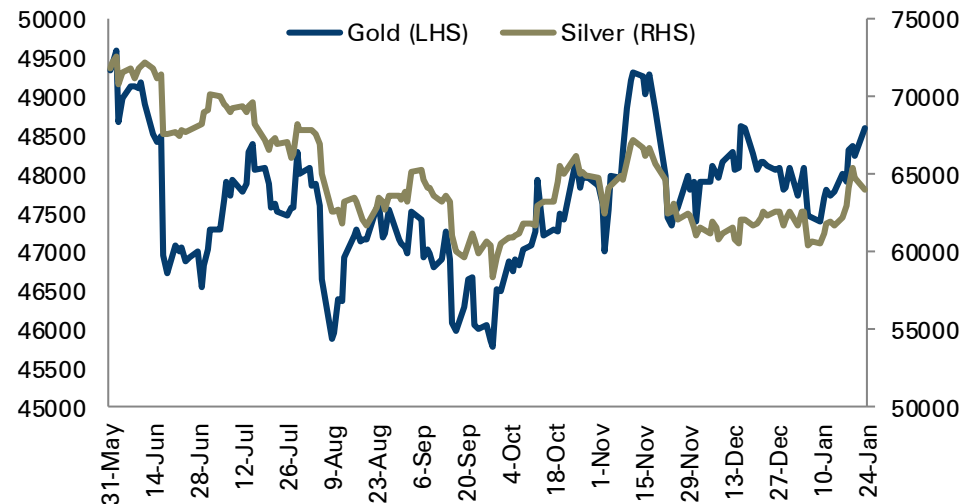
Commodity	S2	S1	Pivot	R1	R2
Gold	48200	48399	48500	48699	48800
Silver	62714	63351	64170	64807	65626
MCXBULLDEX	14189	14250	14323	14384	14457

## Gold/Silver Ratio



- Gold prices rose slightly on Monday as tensions over Ukraine buoyed its safe-haven allure while investors held off on big moves ahead of a Federal Reserve meeting this week that could provide clues on the US central bank's interest rate trajectory
- At its two-day meeting starting on Tuesday, the Fed is expected to announce it will tighten monetary policy at a much faster pace than thought previously to tame persistently high inflation
- Meanwhile, Nato said it was putting forces on standby in eastern Europe in response to Russia's military build-up on Ukraine's borders, adding to signals the West is bracing for an aggressive Russian move against the Eastern European country. Moscow has denied any plan to invade
- Gold prices are likely to rise further for the day amid renewed safe haven demand due to geopolitical tensions

## MCX Gold vs Silver Performance



## Metal Futures

Commodity	LTP (₹)	Change	LTP (\$)	Change
Copper	743.55	-1.20%	9708.50	-2.41%
Nickel	1729.90	-4.95%	22605.50	-6.88%
Zinc	292.90	-1.76%	3596.00	-1.99%
Lead	184.00	-0.30%	2371.00	0.92%
Aluminium	240.25	0.48%	3039.00	0.43%
MCXMETLDEX	18040	-1.98%	-	-

## MCX Pivot levels

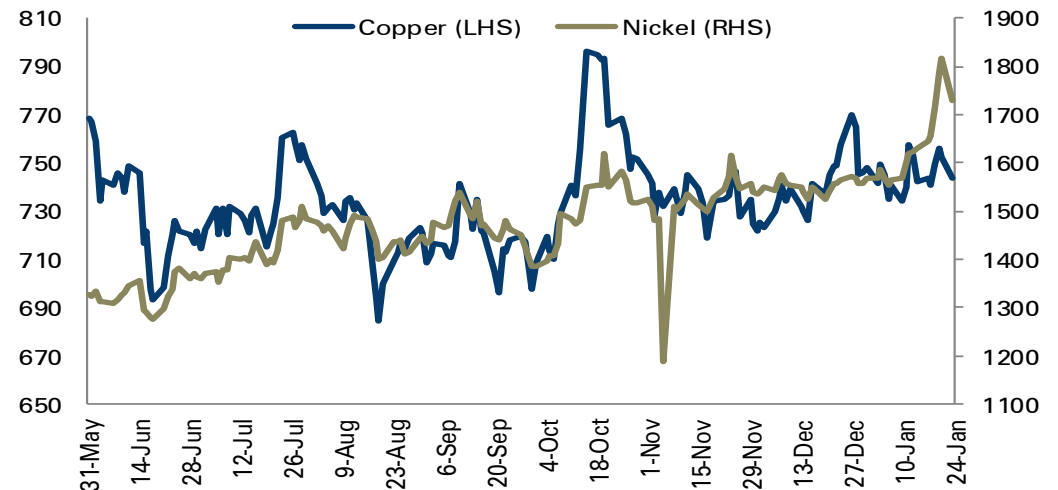
Commodity	S2	S1	Pivot	R1	R2
Copper	734.8	739.2	744.7	749.1	754.6
Nickel	1645.2	1687.6	1753.1	1795.5	1861.0
Zinc	290.3	291.6	294.0	295.3	297.7
Lead	183.3	183.7	184.4	184.7	185.4
Aluminium	234.5	237.4	239.0	241.9	243.6
MCXMETLDEX	17740.7	17890.3	18128.7	18278.3	18516.7

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	97575	-2200	-2.20
Nickel	93102	-378	-0.40
Zinc	162500	-5150	-3.07
Lead	53700	-125	-0.23
Aluminium	859800	-6150	-0.71

- Industrial metals fell on Monday due to profit-taking, nervousness ahead of a US Federal Reserve meeting this week and a firm dollar but low stocks provided some support
- Further, weighing on sentiments were geopolitical tensions over Russia's massing of troops near its border with Ukraine
- However, nickel inventories in LME-registered warehouses have fallen 65% since April last year while those of aluminium and copper have dropped 56% and 60%, respectively. Zinc stocks have fallen 45% since April, while those for lead are down 57% since March
- Base metal prices are expected to remain subdued for the day as a stronger dollar will make greenback priced metal expensive for other currency holders. However, declining warehouse inventories and monetary policy easing in the world's top consumer China will support industrial metals on the lower side

## MCX Copper vs. Nickel Performance



## Energy Futures

Commodity	LTP (₹)	Change	LTP (\$)	Change
WTI Crude Oil	6237	-1.30%	83.17	-2.31%
US Nat Gas	299.2	0.77%	3.84	1.56%
MCXENRGDEX	6170	-0.34%	-	-

## MCX Pivot levels

Commodity	S2	S1	Pivot	R1	R2
WTI Crude Oil	5984	6110	6263	6389	6542
US Nat Gas	283.3	291.3	297.4	305.4	311.5
MCXENRGDEX	6013	6092	6170	6248	6327

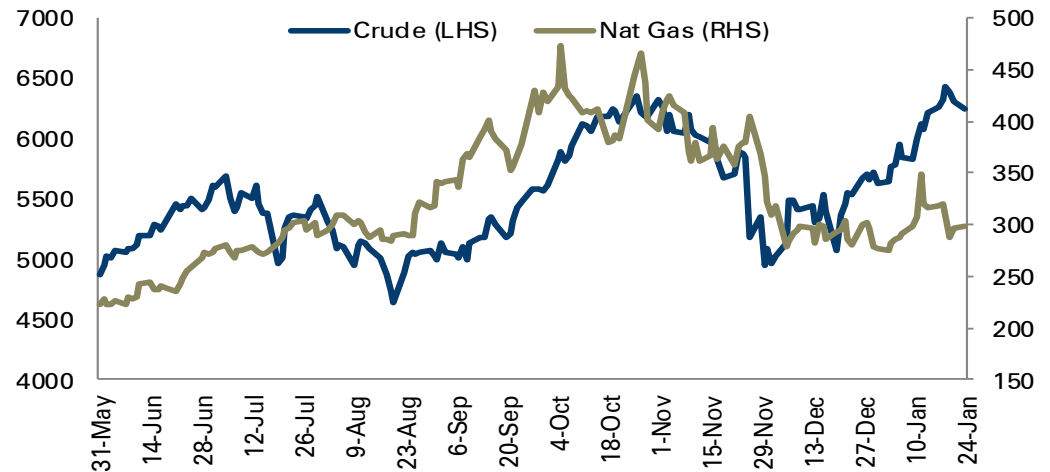
## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
1/20/2022	9:30 PM	0.515M	-0.938M
1/12/2022	9:00 PM	-4.553M	-1.904M
1/5/2022	9:00 PM	-2.144M	-3.283M
12/29/2021	9:00 PM	-3.576M	-3.233M
12/22/2021	9:00 PM	-4.715M	-2.750M
12/15/2021	9:00 PM	-4.584M	-2.082M

The Energy Information Administration's (EIA) Crude Oil Inventories measures the weekly change in the number of barrels of commercial crude oil held by US firms.

- Oil prices fell about 2% on Monday, hit by investor concerns over the possibility of quicker than expected interest-rate hikes by the US Federal Reserve that took down risk markets like equities while the dollar rallied
- Dollar rose to a two-week high on Monday against a basket of currencies, lifted by the tension between Russia and the West over Ukraine and the possibility of a more hawkish stance from the Fed this week
- Meanwhile, the United Arab Emirates intercepted and destroyed two Houthi ballistic missiles targeting the Gulf country on Monday after a deadly attack a week earlier
- Crude oil prices are likely to remain supported near \$82 for the day amid rising geopolitical tensions and as Opec+ is still struggling to hit a targeted monthly output increase

## MCX Crude Oil vs. Natural Gas Performance



# Economic Calendar



TIME (IST)	COUNTRY	DATA & EVENTS	FORECAST	PREVIOUS
7:30 PM	US	S&P/CS HPI Composite - 20 n.s.a. (YoY) (Nov)	18.0%	18.4%
8:30 PM	US	CB Consumer Confidence (Jan)	111.8	115.8

Commodities Outlook

ICICI Securities – Retail Research

Source: Bloomberg, Reuters, ICICI Direct Research

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*Source: Bloomberg, Reuters, ICICI Direct Research*

## ANALYST CERTIFICATION

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