Commodity Morning View

January 01, 2026

Index

Silver outperforms to becomes leading asset class

Key Points

- Natural gas plunges on milder weather
- International market closed on new year holiday
- London silver lease rate rose to 8%
- Crude oil supported by renewed geo-politics

Events to Watch

Data	Country	Event	Time	Previous	Forecast
01-Jan	--	No Mjor data	--	--	--

Macro

- Silver marks the first time in the modern digital era that an industrial commodity has overtaken the world's premier technology company, trailing only gold in global asset rankings.
- Gold and silver posted their biggest annual gains since 1979, with gold soaring 65% and silver surging 146% in 2025. Comex copper jumped 41%, marking its strongest yearly rise since 2009 and more than doubling the S&P 500's 17% advance. Meanwhile, the U.S. Dollar Index fell 9.4%, recording its worst first-half performance since 1973.
- US weekly jobless claims decreased by 16,000 to 199,000 in the week ended Dec. 27, The four-week moving average of initial applications, a metric that helps smooth out volatility, ticked up to 218,750. The Nasdaq 100 Index slipped 0.8%, S&P 500 Index fell 0.7% on last trading day.
- Commodity markets closed the last session of the year on a weak note. Gold and Silver corrected sharply, while Crude slipped despite fresh US sanctions on Venezuela's oil sector. Natural Gas tumbled on higher storage levels and warmer weather outlook.
- Data watch: No major economic data scheduled.

Base metals

- LME copper records its best annual gains since 2009, fueled by near-term supply tightness and bets that demand for the metal key in electrification will outpace production. The red metal has notched a series of all-time highs in an end-of-year surge, rallying 42% on the London Metal Exchange this year. That makes it the best performer of the six industrial metals on the bourse.
- Inventories of base metals have seen higher inflows at LME warehouses in December, indicating a higher warrants stock of copper lead and Zinc. While global copper inventories are at 700kt at end of 31st December, the LME cash to future premiums stood at $30/t and premiums in China increased to $51/t.
- China's refined copper output surged 11% y/y to 1.236mt while zinc rose to 13% y/y to 0.665mt but in last three months copper production is seen decline in China, which could keep broader markets in tighter conditions in 2026.
- We believe another quarter of GDP growth below 5% in China would be the key trigger for renewed policy easing. Looking forward, we expect a 50bp cut in RRR and a 10bp cut in LPR in 1Q26, that would support metals.

Base Metals Monitor

Exchange	Commodity	Expiry	31-Dec-25	Daily Change	Daily % Change	19-Dec-25
LMEX	**LMEX**	-	5099	169	3.43%	4930
LME	**Aluminium ($)**	-	2995	50	1.70%	2945
LME	**Copper ($)**	-	12423	542	4.56%	11881
LME	**Lead ($)**	-	2011	27	1.36%	1984
LME	**Nickel ($)**	-	16646	1843	12.45%	14803
LME	**Zinc ($)**	-	3117	45	1.46%	3072
MCX	**Aluminium**	Jan	297.3	10.45	3.64%	286.85
MCX	**Copper**	Jan	1287	162	14.40%	1125
MCX	**Lead**	Jan	182	0.7	0.39%	181.3
MCX	**Nickel**	Jan	1332	0	0.00%	1332
MCX	**Zinc**	Jan	307	5.55	1.84%	301.45

Outlook: *Base metals had a stellar 2025, with the LME index gaining 30%, led by copper's 42% surge and aluminium's 17% rise, while lead and zinc also closed higher. For 2026, fundamentals remain supportive, driven by expectations of strong demand from new-age technologies amid supply constraints. However, the recent rally appears overstretched and ahead of actual demand trends, suggesting a potential correction in Q1 2026. In the near term, we expect metals to trade sideways, though erratic moves may occur due to thin domestic volumes and international trading holidays.*

Bullions

Bullion Daily Change

Exchange	Commodity	Expiry	31-Dec-25	Daily Change	Daily % Change
Comex	**Gold ($)**	Spot	4319.37	-18.63	-0.43%
Comex	**Silver ($)**	Spot	71.33	4.215	6.28%
MCX	**Gold**	Feb	135458	1252	0.93%
MCX	**Silver**	Mar	235913	27913	13.42%
Ratio	**Goldsilver ratio**	-	60.55	-4.08	-6.31%
Rupee	**USDINR**	-	88.870	-1.39	-1.54%
Dxy	**Dollar Index**	-	98.32	-0.27	-0.27%
Bond	**US-10 T.Yield**	-	4.16	0.02	0.48%

- Silver outperformed to global assets class to becomes the one of the most valuable assets of 2025, while Gold 65% gains dwarfed by silvers 146% rally. The overall trend in gold and silver remains strong for year 2026 as well driven on strong industrial demand for silver and strong central bank demand for gold. The global trade restriction and protectionist policies for critical minerals will see metals zooming higher.

- The comex and Shanghai silver inventories have dropped sharply in last 10 days as Comex inventories of eligible silver is at 32.126 million ounce and global lease rate has edged higher to 8%, indicating short term supply tightness.

Outlook:

Gold/Silver in short term may see more price moderation and corrections as the recent rally was driven on speculative trades on the fear that silver market may see further scarcity due to China's rules of restricting silver exports.

Gold: Support at $4,265; Resistance at $4,400 .

Silver: Support at $67; Resistance at $75.

Energy

Energy Price Monitor

Exchange	Commodity	Expiry	31-Dec-25	Change	Daily % Change	19-Dec-25
Nymex	**Crude ($)**	Feb	57.42	0.90	1.59%	56.52
Nymex	**Natural gas ($)**	Jan	3.67	-0.31	-7.79%	3.98
MCX	**Crude**	Jan	5207	81.00	1.58%	5126
MCX	**Natural gas**	Jan	334	-22.00	-6.18%	356

- West Texas Intermediate fell 0.9% to settle at $57.42, completing a 20% decline for the year. In the short-term, traders are focused on an upcoming OPEC+ meeting and President Donald Trump's policies toward major producers Russia, Iran and Venezuela.
- The recent downfall is supported by the renewed geo-politics as The US is also seizing tankers carrying Venezuelan cargoes, and the South American nation has had to reduce output in recent days as a result.
- The milder weather condition in US has dampened the Natural gas prices overnight as inventories draw were lesser than forecast and US production has kept surging in last 3, months. We expect natural gas to test support of Rs 300 in coming days overall trend remains bearish.

Outlook: *The long-term story in crude is bearish while short-term would still be negotiated by the prevailing geo-politics. For the day crude will trade sideways.*

Short term trading range $55.5-$59.

Long term trading range $52/- $62.

Daily Price Monitor

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	**Aluminium**	Jan	292-300	Sell on rise
MCX	**Copper**	Jan	1265-1300	Sell on rise
MCX	**Lead**	Jan	180-185	Buy on dips
MCX	**Nickel**	Jan	2200-308	Buy on dips
MCX	**Zinc**	Jan	302-314	Buy on dips
MCX	**Gold**	Feb	132000-137000	Sell on rise
MCX	**Silver**	Mar	228000-242000	Sell on rise
MCX	**Crude**	Jan	5150-5300	Buy on dips
MCX	**Natural gas**	Jan	300-340	Sell on rise
Comex	**Gold**	Spot	$4250-$4400	Sell on rise
Comex	**SIlver**	Spot	$67-$75	Sell on rise
Nymex	**Crude oil**	Feb	$55-$59	Buy on dips

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