

Commodity Morning View

January 06, 2026

Index

• Key points	2
• Macro	2
• Base metals	3
• Bullions	4
• Energy	5

Visit us at www.sharekhan.com

MIRAE ASSET Sharekhan

Metals on rampage amid geo-politics, tariffs and supply concerns

Key Points

- LME Copper advances to fresh highs
- Gold/silver rallies amid heighten geo-political risk
- Natural gas retreats to 5 months low
- Precious metals up in China
- US Dec S&P Mfg eases

Events to Watch

Data	Country	Event	Time	Previous	Forecast
06-Jan	GE	HCOB Germany Services PMI	14:25	52.6	52.6
06-Jan	EC	HCOB Eurozone Services PMI	14:30	52.6	52.6
06-Jan	US	S&P Global US Services PMI	20:15	52.9	52.9

Macro

- Wall Street rallied overnight as weaker than expected ISM manufacturing last month increased the odds of earlier Fed rate cut, The DJIA, the S&P500, and the Nasdaq Composite Index rose 1.2%, 0.6%, and 0.7% respectively. The Eurostoxx 50 rose 1.3%. The Dollar Index edged down 0.1% to 98.35. EUR-USD was little changed at 1.1720.
- The US 2Y yield fell 2bp to 3.45% and the 10Y yield dropped 3bp to 4.16%. The German 10Y yield fell 3bp to 2.87%. The UK 10Y yield dropped 3bp to 4.51%. Brent crude oil prices rose 1.7% to USD61.76. Gold gained 2.7% to USD4,449.
- The US ISM manufacturing PMI fell for a third consecutive month to a 14- month low of 47.9 in December (consensus: 48.4; November: 48.2), signalling greater uncertainties for the overall sector. However, the new orders component rose to 47.7 vs 47.4 previously, and the employment component rose to 44.9 vs 44.0 previously. Positive for Gold.
- Global copper prices jumped around 4% on Monday, pushing the LME benchmark to a record high near \$13,000 per tonne, driven by concerns that the US may impose import duties on refined copper. The US Secretary of Commerce is expected to release an assessment of the domestic copper market by June 30, which will guide potential tariffs of 15% in 2027 and 30% in 2028. Copper surged 42% in 2025 as tightening supply points to a projected 500 kt deficit by end 2026. Positive for Hind copper.
- Data watch: US release will be on Dec final S&P global services PMI (estimated to remain unchanged at 52.9) and composite PMI (prior reading of 53.0) while in Europe, we will get the prelim Dec CPI from France and Germany as well as the final HCOB services PMI for Eurozone and its constituent economies.

Base metals

- LME Copper prices edged higher in Asia on Tuesday, following 4% rally on Monday, supported by tightening supply and resilient demand from sectors linked to the energy transition despite expected weakness from China due to the property market crisis. LME Benchmark breached \$13k mark first time, while cash to future market holds in premiums of \$41 but supply at global warehouses has improved in last two months, despite that copper has rallied about 20% since November.

- Traders are refocusing on the outlook for interest rates, liquidity conditions and fundamental divergence, rather than headline risk. China's RatingDog services PMI edged down to 52.0 in December, vs 52.1 in November. The rate of increase was the softest in six months. However, domestic demand was not enough to offset the decline in exports of tourism services.
- LME Zinc trades around \$3200 but we expect prices to correct as Zinc supplies are expected to remain positive in 2026, while China's exports to European markets has jumped in last two months which has resulted in LME spread trading in discount, indicating a healthy supply.

Base Metals Monitor

Exchange	Commodity	Expiry	5-Jan-26	Daily Change	Daily Change	2-Jan-26
LMEX	LMEX	-	5292	177	3.46%	5115
LME	Aluminium (\$)	-	3085	70	2.32%	3015
LME	Copper (\$)	-	12991	522	4.19%	12469
LME	Lead (\$)	-	2023	17	0.85%	2006
LME	Nickel (\$)	-	17003	183	1.09%	16820
LME	Zinc (\$)	-	3195	68	2.17%	3127
MCX	Aluminium	Jan	306.35	3.75	1.24%	302.6
MCX	Copper	Jan	1313	25	1.94%	1288
MCX	Lead	Jan	184.45	1.75	0.96%	182.7
MCX	Nickel	Jan	1332	0	0.00%	1332
MCX	Zinc	Jan	310.55	3.7	1.21%	306.85

Outlook: Geopolitical tensions are raising supply concerns as Venezuela, rich in minerals, faces U.S.-backed governance shifts that may strain trade with China, a major investor. For 2026, fundamentals remain supportive, driven by strong demand from emerging technologies amid supply constraints. However, the recent rally appears overstretched and ahead of real demand trends, signaling a likely correction in Q1 2026 as markets recalibrate to revised fundamentals.

Bullions

Bullion Daily Change

Exchange	Commodity	Expiry	5-Jan-26	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	4449	116.71	2.69%
Comex	Silver (\$)	Spot	76.55	3.74	5.14%
MCX	Gold	Feb	138148	2396	1.76%
MCX	Silver	Mar	246135	9536	4.03%
Ratio	Goldsilver ratio	-	58.12	-1.38	-2.32%
Rupee	USDINR	-	90.260	0.08	0.09%
Dxy	Dollar Index	-	98.27	0.15	0.15%
Bond	US-10 T.Yield	-	4.16	-0.03	-0.72%

- Precious metals including gold and silver rallied on Mon, partly reflecting rising geopolitical uncertainty in light of events in Venezuela. Spot gold price rose 2.6% to reach USD4,446.33/oz, while silver prices saw a more than 5% increase.
- The global silver lease rate still remains higher at 8.5%, that signals persistent short term supply tightness, Total known global silver ETF holdings remain elevated at 863.79 MOz, highest since June 2022. Silver may test the resistance around \$80/\$81. A surge to \$85 is not ruled out should the US Dollar soften.

Outlook:

The geo-political event unfolded over weekend has just heightened medium-term geopolitical risks as the silence of Russia and China in this matter may be risk to Ukraine -Russia and China-Taiwan front. Positive for Gold/silver. 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.

Gold: Support at \$4393/\$4296. Resistance is at \$4472/\$4550.

Silver: Support at \$74; Resistance at \$80.

Energy

Energy Price Monitor

Exchange	Commodity	Expiry	5-Jan-26	Change	Daily % Change	2-Jan-26
Nymex	Crude (\$)	Feb	58.32	0.90	1.57%	57.42
Nymex	Natural gas (\$)	Jan	3.52	-0.15	-4.09%	3.67
MCX	Crude	Jan	5272	50.00	0.96%	5222
MCX	Natural gas	Jan	310	--	--	329

- Brent crude rose by 1.8% to USD61.83/bbl as traders weighed the fallout from the developments in Caracas. WTI also rose by 1.8% to settle around USD58.37/bbl overnight.
- The Saudi Arabia has once again reduced the OSP for its benchmark crude for Asian buyers, indicating a demand concerns due to economic slowdown. Negative for oil prices.
- Natural gas is expected to remain sell on rise market due to milder weather condition prevailing in US, which has somewhat eased the heating demand while production continued to remain elevated, resulting in prices retreating to 5 months low.

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. We expect crude oil prices to remain a buy for the day.

Short term trading range \$55.5-60.

Long term trading range \$50-62.

Daily Price Monitor

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	Aluminium	Jan	296-310	Buy on dips
MCX	Copper	Jan	1300-1335	Buy on dips
MCX	Lead	Jan	180-185	Buy on dips
MCX	Nickel	Jan	2200-308	Buy on dips
MCX	Zinc	Jan	302-314	Sell on rise
MCX	Gold	Feb	136000-142000	Buy on dips
MCX	Silver	Mar	242000-252000	Buy on dips
MCX	Crude	Jan	5150-5350	Sell on rise
MCX	Natural gas	Jan	285-335	Sell on rise
Comex	Gold	Spot	\$4320-\$4551	Buy on dips
Comex	Silver	Spot	\$74-\$82	Buy on dips
Nymex	Crude oil	Feb	\$56-\$60	Sell on rise

DISCLAIMER

This information/document has been prepared by Sharekhan Ltd. and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited. This information/ document is subject to change without prior notice.

Recommendation in reports based on technical and derivatives analysis is based on studying charts of a stock's price movement, trading volume, and outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply to information/documents focused on technical and derivatives research and shall not apply to reports/documents/information focused on fundamental research.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. Mirae Asset Sharekhan will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("Mirae Asset Sharekhan and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Mirae Asset Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this recommendations/report.

This information/recommendation/report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Mirae Asset Sharekhan and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restrictions.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in the securities of the company and that all the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of Mirae Asset Sharekhan. The analyst and Mirae Asset Sharekhan further certifies that either he or his relatives or Mirae Asset Sharekhan associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report. The analyst and Mirae Asset Sharekhan encourage independence in research report/ material preparation and strive to minimize conflict in the preparation of the research report. The analyst and Mirae Asset Sharekhan do not have any material conflict of interest or have not served as officers, directors or employees or engaged in market-making activity of the company. The analyst and Mirae Asset Sharekhan have not been a part of the team which has managed or co-managed the public offerings of the company, and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Ltd, or its associates, or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from a third party in the past twelve months in connection with the research report.

Either Mirae Asset Sharekhan or its affiliates or its directors or employees/representatives/clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. Mirae Asset Sharekhan may from time to time solicit from, or perform investment banking or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall Mirae Asset Sharekhan, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Sharekhan Ltd and its affiliates undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader/investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgment before taking any investment decision.

Investment in securities market are subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Mirae Asset Sharekhan has been ranked as India's No.1 Retail Broker by Asiamoney Brokers Poll 2023. For more details, visit bit.ly/AsiamoneyPoll

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com

Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE - 748, NSE - 10733, MCX - 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

For any complaints/ grievances, email us at igc@sharekhan.com, or you may even call the Customer Service desk on 022-41523200/ 022-61151111.