

# Commodity Morning View

January 21, 2026

---

## Index

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

Visit us at [www.sharekhan.com](http://www.sharekhan.com)

**MIRAE ASSET** Sharekhan

# US President to address "WEF" today

## Key Points

- Markets rattled by Greenland and Japan
- Sell-off in global equities & bonds
- PBoC maintained lending rates
- DXY tumbled; gold spiked on haven bid
- LME Copper switch into strong backwardation

### Events to Watch

Date	Region	Event	Time	Prior	Surv(M)
21-Jan	USD	Pending Home Sales (MoM) (Dec)	20:30	-2.60%	3.30%
21-Jan	USD	Construction Spending (MoM) (Oct)	20:30	0.10%	0.20%
21-Jan	USD	Pending Home Sales Index (Dec)	20:30	--	79.2

## Macro

- The DJIA, the S&P500, and the Nasdaq Composite Index fell 1.8%, 2.1%, and 2.4% respectively. The Eurostoxx 50 fell 0.6% following Monday's 1.7% drop. The Dollar Index fell 0.8% to 98.64 and EUR- USD gained 80 pips to 1.1720.
- The US 2Y yield edged up 1bp to 3.60% while the 10Y yield rose 7bp to 4.29%. The US 20Y yield rose 9bp to 4.88% and the 30Y yield rose 8bp to 4.92%. The German 10Y yield rose 2bp to 2.86%. The UK 10Y yield rose 4bp to 4.46%. Brent crude oil prices rose 1.5% to USD64.92. Gold jumped 2% to USD4,763 on top of the 1.6% rise on Monday.
- Sell-off in global markets broadened and deepened overnight amid escalating tension between President Trump and European leaders over Greenland. Sell America trade saw UST yields jumping 1-9bps across the curve. The reports of reports that Danish pension fund is planning to exit Treasuries further dampened appetite for USTs. 10Y European bonds also gained 1-4bps.
- Prime Minister Sanae Takaichi's plan to cut taxes raising fiscal worries, the 10Y JGB yield rose to 2.36%, the highest since February 1999 while the 40Y yield climbed to the highest on record at 4.23%. The surge in JGB yields pulled up US Treasury yields at the long-end while the short-end was stable. The USD fell and gold climbed 2%.
- EU Commission President Ursula von der Leyen said if President Trump goes ahead with the 10% tariff on eight European countries to force the sale of Greenland, the EU will hit back with an "unflinching, united and proportional" response. She said "Plunging us into a dangerous downward spiral would only aid the very adversaries we are both so committed to keeping out of our strategic landscape. Sentimentally positive for Gold"
- US private employers added an average of 8,000 jobs per week in the four weeks ending December 27, 2025, down from 11,250 previously, indicating a slowdown in hiring momentum, according to ADP Research.
- Trump threatened 200% tariffs on French wines and champagne after France planned to decline joining his 'Board of Peace.' A White House official said he won't attend the emergency G7 summit in Paris. Sentimentally positive for Gold.
- US Treasury Secretary Bessent stated that there are four outstanding candidates for the new Fed chair position, with an announcement possibly coming by next week.

- As expected, the People's Bank of China (PBoC) left its 1Y and 5Y lending rates unchanged at 3.00% and 3.50%
- Data watch: US construction spending and pending home sales.

## Base metals

- Industrial commodities are expected to remain subdued due to challenging global macro-economic development on Greenland, that may see a renewed trade war between US and European countries. Additionally, the softer economic data from China, reflecting a slowdown in domestic consumption and continued weakness in Fixed Asset Investments, a key proxy for real estate activity. New home sales across 10 major Chinese cities fell sharply by 34.3% year on year to 1.21 million square meters in the week ending January 18, even as transaction volumes rose 9.7% from the previous week.
- Base metals trading has also been pressured by China's crackdown on high frequency trading following excessive speculative activity that had driven global price spikes. Regulators have directed major exchanges, including the Shanghai Futures Exchange, to remove HFT servers from data centres, prompting declines in copper, zinc, and aluminum prices in both Shanghai and London after earlier record rallies. Brokers must relocate HFT equipment by month end, with all remaining clients required to do so by April 30.
- LME spot copper surged to a hefty premium over later dated futures, with the tom/next spread briefly at a \$100 premium—the widest since 2021—in a backwardation structure signalling strong near term demand.

### Base Metals Monitor

Exchange	Commodity	Expiry	20-Jan-26	Daily Change	Daily % Change	19-Jan-26
LMEX	LMEX	-	5296	-86	-1.60%	5382
LME	Aluminium (\$)	-	3107	-51	-1.61%	3158
LME	Copper (\$)	-	12753	-212	-1.64%	12965
LME	Lead (\$)	-	2028	-32	-1.55%	2060
LME	Nickel (\$)	-	17614	-519	-2.86%	18133
LME	Zinc (\$)	-	3173	-48	-1.49%	3221
MCX	Aluminium	Jan	318	-2	-0.63%	320
MCX	Copper	Jan	1316	-12	-0.90%	1328
MCX	Lead	Jan	189	-2	-1.05%	191
MCX	Nickel	Jan	1332	0	0.00%	1332
MCX	Zinc	Jan	314	-3.5	-1.10%	317.5

### Outlook:

The renewed trade tensions outside China and signs of a slowing Chinese economy are likely to dampen base metal demand in the coming months. Nevertheless, we maintain a constructive medium term outlook, as industrial commodities often respond with a lag to shifts in consumption patterns. However, the sharp rise in base metal prices over the past six months has heightened inflation risks, potentially limiting monetary policy flexibility and weighing on global growth. With prices accelerating ahead of underlying demand, current valuations appear stretched, raising the probability of a market correction in Q1 2026 as fundamentals come back into focus.

## Bullions

### Bullion Daily Change

Exchange	Commodity	Expiry	20-Jan-26	Daily Change	Daily % Change
Comex	<b>Gold (\$)</b>	Spot	4763	93	1.99%
Comex	<b>Silver (\$)</b>	Spot	94.58	0.2	0.21%
MCX	<b>Gold</b>	Feb	150560	4803	3.30%
MCX	<b>Silver</b>	Mar	323300	13149	4.24%
Ratio	<b>Goldsilver ratio</b>	-	50.36	0.88	1.78%
Rupee	<b>USDINR</b>	-	90.970	0.07	0.08%
Dxy	<b>Dollar Index</b>	-	98.64	-0.75	-0.75%
Bond	<b>US-10 T.Yield</b>	-	4.29	0.07	1.66%

- Gold breached \$4800 mark in Asian on Wednesday following 3% rally in previous session amid growing geo-political worries due to Trump's rhetoric behaviour concerning Greenland acquisition, and silver hovered near an all-time high as the Greenland standoff and a slump in Japanese government bonds boosted haven demand, while at Davos President Trump stuck to his bid for the Arctic island and Greenland's prime minister urged preparations for a possible, though unlikely, military invasion.
- Silver may remain highly volatile and may have higher correlation with equities due to industrial usage, hence any sell-off in equities could see silver underperforming gold

### Outlook:

*Gold will remain in limelight as Donald Trump is slated to address "World Economic Forum" tonight, that could change the power dynamics of G8 countries due US reluctance to acquire "Greenland", which the European leader are not agreeing on, which has led to rally to 10% rally in gold this month alone. In contrast, broader geopolitical risks continue to enhance gold's investment appeal. As a universal store of value, gold benefits from sustained central bank purchases over the past two years. Additionally, concerns surrounding potential threats to US Federal Reserve independence are further strengthening demand for gold as a safe haven asset.*

*Gold: Support at \$4590. Resistance is at \$4900.*

*Silver: Support at \$88; Resistance at \$96.*

## Energy

### Energy Price Monitor

Exchange	Commodity	Expiry	20-Jan-26	Change	Daily % Change	19-Jan-26
Nymex	<b>Crude (\$)</b>	March	59.44	0.00	0.00%	59.44
Nymex	<b>Natural gas (\$)</b>	Feb	3.1	0.00	0.00%	3.1
MCX	<b>Crude</b>	Feb	5417	0.00	0.00%	5417
MCX	<b>Natural gas</b>	Jan	272.1	0.00	0.00%	272.1

- After rallying higher on Tuesday, oil prices have drifted lower on economic slowdown worries and supply glut concerns in Asian trading hours today. Oil declined as US President Donald Trump's attempts to annex Greenland sent jitters through wider markets.
- Earlier on Tuesday, Kazakhstan's largest oil producer recently halting production at the Tengiz and Korolev fields after two fires at power generators. The Tengiz field will be shut for another seven to 10 days. Sentimentally positive for oil.
- US hit by Arctic cold blast and mounting winter storm threats, Natural gas demand will remain stronger in coming days that will see inventories depleting faster than production and could see natural gas MCX Feb contract towards 335 levels.

**Outlook:**

*Despite the current easing of tensions, an "Iran risk premium" remains embedded in the market.*

*Short-term: Prices are expected to fluctuate within a \$57-\$61 range.*

*Long-term: The outlook is bearish. We project WTI prices to slide toward \$52/bbl in H1-2026 due to a widening global surplus.*

*Strategic Advice: Utilize current price dips to buy for short-term corrections, while remaining cautious of the long-term downward trend.*

*Long term trading range \$48/- \$65.*

**Daily Price Monitor**

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	Aluminium	Feb	310-322	Sell on rise
MCX	Copper	Feb	1285-1335	Sideways
MCX	Lead	Feb	188-201	Sell on rise
MCX	Nickel	Feb	2200-308	Sell on rise
MCX	Zinc	Feb	306-320	Sell on rise
MCX	Gold	Mar	152000-165000	Buy on dips
MCX	Silver	Mar	310000-333000	Sell on rise
MCX	Crude	Feb	5335-5520	Buy on dips
MCX	Natural gas	Feb	280-335	Buy on dips
Comex	Gold	Spot	\$4620-\$4900	Buy on dips
Comex	Silver	Spot	\$84-\$97	Buy on dips
Nymex	Crude oil	Mar	\$57-\$62	Buy on dips

**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](http://bit.ly/AsiamoneyPoll)

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on [www.sharekhan.com](http://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](mailto:complianceofficer@sharekhan.com)

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