

Commodity Morning View

January 23, 2026

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Gold nearing \$5000 after Goldman revised up 2026 PT

Key Points

- Silver eying \$100 mark
- US EIA weekly inventory surges
- China's industrial output surges
- DXY down 0.4% as majors see sharp rally against USD

Events to Watch

Date	Region	Event	Time	Prior	Surv(M)
23-Jan	EUR	HCOB Germany Manufacturing PMI (Jan)	14:00	47.8	47
23-Jan	EUR	HCOB Germany Services PMI (Jan)	14:00	52.7	52.7
23-Jan	EUR	HCOB Eurozone Manufacturing PMI (Jan)	14:30	49.1	48.8
23-Jan	EUR	HCOB Eurozone Services PMI (Jan)	14:30	52.6	52.4

Macro

- The DJIA, the S&P500, and the Nasdaq Composite Index rose 0.6%, 0.6%, and 0.9% respectively. The Eurostoxx 50 jumped 1.3%. The Dollar Index fell 0.4% to 98.36 and EUR-USD gained 70 pips to 1.1760.
- The US 2Y yield rose 2bp to 3.61% and the 10Y yield was flat at 4.25%. The German 10Y yield edged up 1bp to 2.89%. The UK 10Y yield gained 2bp to 4.47%. Brent crude oil prices fell 1.8% to USD64.06. Gold rose 2.2% to USD4,936.
- The Fed meets next week 27-28 January. The Fed funds futures are pricing in no change and the first rate cut to come only in July. They are pricing in a total cut of 44bp by year-end.
- Gold surged to a record near \$5,000, topping \$4,960 and up over 7% this week as geopolitical risks, perceived threats to Fed independence and a 0.8% drop in the dollar fuelled a flight from currencies and bonds; silver also hit a record as the AI-investment narrative regained the initiative. Goldman Sachs raised its year-end target to \$5,400 on intensifying private and central-bank demand.
- The US initial jobless claims for week-ending 17 January held steady at near record lows at 200k (Bloomberg consensus: 209k) vs 199k previously. The 4-week moving average eased to 202k vs 205k previously
- US November headline PCE deflator rose 2.8% yoy, which matched expectations vs 2.7% previously. The core PCE deflator was also as expected at 2.8% yoy vs 2.7% previously, negative for USD.
- Japan's nationwide headline CPI inflation moderated to 2.1% yoy (Bloomberg consensus: 2.2%) vs 2.9% in November, marking the first slowdown in four months due to the impact of government subsidies. Core Inflation, which excludes fresh food and energy, was slightly softer at 2.9% (Bloomberg consensus: 2.8%) vs 3.0% in November.
- Data watch: For today, we get the US S&P Global manufacturing and services PMI, the leading index, and the final reading for the University of Michigan consumer sentiment for January.

Base metals

- The softer U.S. dollar is helping industrial commodities remain firm during Asian trading hours, even as underlying fundamentals point to subdued demand for base metals. Inventories across major exchanges—LME, COMEX and Shanghai—remain elevated for most metals. At the same time, China's December industrial output stayed strong:

copper production rose 9% y/y to 1.326 million tons, lead output increased 5.3% to 719,000 tons, zinc output climbed 11% to 675,000 tons, and alumina output grew 6.7% to 8 million tons. In contrast, crude iron ore output declined 4.4% y/y to 79.35 million tons.

- These trends reinforce the view that near term demand for base metals is weak, especially with copper, zinc, lead and aluminium all trading in contango on the LME—indicating oversupply and soft physical demand.
- Ahead of China’s Lunar New Year holiday, traders are likely to restock inventories, which may offer some temporary price support. However, beyond this seasonal boost, broader demand remains muted as global manufacturing activity softens and supply levels stay relatively high. Overall, while short term positioning could lift prices modestly, the market backdrop continues to signal lacklustre demand and a cautious outlook for base metals in the near term.

Base Metals Monitor

Exchange	Commodity	Expiry	22-Jan-26	Daily Change	Daily % Change	21-Jan-26
LMEX	LMEX	-	5327	-1	-0.02%	5328
LME	Aluminium (\$)	-	3132	-23	-0.73%	3155
LME	Copper (\$)	-	12755	-55	-0.43%	12810
LME	Lead (\$)	-	2020	-2	-0.10%	2022
LME	Nickel (\$)	-	17966	0	0.00%	17966
LME	Zinc (\$)	-	3211	36	1.13%	3175
MCX	Aluminium	Jan	318.45	1.45	0.46%	317
MCX	Copper	Jan	1304	-1	-0.08%	1305
MCX	Lead	Jan	190	1	0.53%	189
MCX	Nickel	Jan	1332	0	0.00%	1332
MCX	Zinc	Jan	319.9	5.9	1.88%	314

Outlook:

Renewed trade tensions and a slowing Chinese economy are likely to weigh on base metal demand. While the medium term outlook remains constructive, the sharp price surge in recent months has increased inflation risks and may limit policy flexibility. With prices stretched relative to demand, a Q1 2026 correction is possible. Metals are expected to stay sideways to sell on rise.

Bullions

Bullion Daily Change

Exchange	Commodity	Expiry	22-Jan-26	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	4936	105	2.17%
Comex	Silver (\$)	Spot	96.24	3.19	3.43%
MCX	Gold	Feb	156489	3373	2.20%
MCX	Silver	Mar	326999	10498	3.32%
Ratio	Goldsilver ratio	-	51.29	-0.63	-1.21%
Rupee	USDINR	-	91.600	0.00	0.00%
Dxy	Dollar Index	-	98.35	-0.41	-0.42%
Bond	US-10 T.Yield	-	4.24	0	0.00%

- Gold and silver rebound to hit fresh all time high \$4967 and Silver \$99.19 on Comex in Asian trading hours on speculative trades supported by broader AI theme in silver and Goldman revising Gold PT for 2026 to \$5400.
- Both gold and silver continue to exhibit huge volatility and choppiness in the run up to the budget to be unveiled on February 1 as investors discount and adjust the possibility of hike in import duties on the precious metals. Notion of a tight market may also have been instrumental in pushing domestic premium higher.
- Total known gold ETF holdings surged to a fresh cycle-high of 99.81 MOz as of January 21 and are up nearly 27 tons or 1% YTD, Total known global silver ETF holdings stood at 848 MOz as of January 21. Holdings are up 1.7% YTD on a net inflow of 450 tons this year.
- One-month LBMA Silver lease rate stood at 3.14%, sharply down from around 8% seen a few days back, but still above historical average of 0.3%-0.5%.

Outlook:

Gold/silver may see some sell-off as the thrust of geo-political risk surrounding Greenland settles down so would be investors bid for holding safe haven assets. concerns surrounding potential threats to US Federal Reserve independence are further strengthening demand for gold as a safe haven asset.

Gold: Support at \$4750. Resistance is at \$5035.

Silver: Support at \$92; Resistance at \$101.

Energy

Energy Price Monitor

Exchange	Commodity	Expiry	22-Jan-26	Change	Daily % Change	21-Jan-26
Nymex	Crude (\$)	March	60.62	0.00	0.00%	60.62
Nymex	Natural gas (\$)	Feb	4.87	0.00	0.00%	4.87
MCX	Crude	Feb	5441	-137.00	-2.46%	5578
MCX	Natural gas	Jan	455	16.00	3.64%	439

- Oil fell overnight, weighed by rising US crude inventories and signs of progress in Russia-Ukraine peace talks. WTI for Mar delivery fell 2.1% to \$59.36 /bbl while Mar’s Brent slipped 1.8% to settle at \$64.06 /bbl.
- US natural gas futures closed slightly higher, capping a ~75% three-day surge to the highest since 2022 as frigid weather and shifting forecasts spurred short covering; February settled up 17c (3.5%) at \$5.045/MMBtu, the highest front-month since 5 Dec.
- The short-term supply woes will keep supporting oil prices, as 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.

Outlook:

The broader risk on sentiment and softer USD will support oil prices for the day we advise buying the dip for the day.

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.
 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	1285-1330	Sell on rise
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	Apr	15700-172500	Buy on dips
MCX	Silver	Mar	315000-342000	Buy on dips
MCX	Crude	Feb	5335-5600	Buy on dips
MCX	Natural gas	Feb	300-400	Buy on dips
Comex	Gold	Spot	\$4720-\$5050	Buy on dips
Comex	Silver	Spot	\$92-\$101	Buy on dips
Nymex	Crude oil	Mar	\$57-\$62	Buy on dips

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