

# Commodity Morning View

January 08, 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

# Commodity Index rebalancing could see sell-off in precious metals

## Key Points

- Crude retreats on supply glut worries
- Whitehouse Quarantines oil Venezuelan oil flows
- US Natural gas up on cold weather forecast
- PBoC adds gold in December
- US data indicates softer labour market
- US Data in focus

### Events to Watch

Data	Country	Event	Time	Previous	Forecast
08-Jan	GE	Factory Orders MoM	12:30	1.50%	-1.00%
08-Jan	US	Challenger Job Cuts YoY	18:00	23.50%	--
08-Jan	US	Initial Jobless Claims	19:00	199k	211k
08-Jan	US	Trade Balance	19:00	-\$52.8b	-\$58.8b
08-Jan	US	NY Fed 1-Yr Inflation Expectations	21:30	3.20%	--

## Macro

- The DJIA and the S&P500 fell 0.9% and 0.3% respectively, while the Nasdaq Composite Index rose 0.2%. The Eurostoxx 50 edged down 0.1%. The Dollar Index edged up 0.1% to 98.68. EUR-USD edged down 10 pips to below 1.1680.
- The US 2Y yield gained nearly 1bp to 3.47% while 10Y yield fell almost 3bp to 4.15%. The German 10Y yield fell 3bp to 2.81%. The UK 10Y yield dropped 6bp to 4.42%.
- Brent crude oil prices fell 1.2% to USD59.96. Gold fell 0.9% to USD4,456 yesterday after gaining 4% to start the year.
- Commodity Index rebalancing: Five-day annual rebalancing of commodities Index managed by Bloomberg and S&P Global will begin on January 8, wherein passive funds will likely sell outperforming assets like silver and gold and buy underperforming commodities to match the new weights assigned to the commodities by both the Bloomberg Commodity Index and the S&P GSCI. Bloomberg estimates that around \$120 billion is pegged to each Index, based on cash flowing from pension funds, and broader investment portfolios.
- US private sector jobs grew by 41K in December 2025, recovering from November's 29K loss. Education/health and leisure/hospitality led gains. Professional services, information, and manufacturing saw cuts. Pay growth remained at 4.4% for job-stayers and rose to 6.6% for job-changers.
- US job openings fell by 303,000 to 7.146 million in November 2025, below expectations and the lowest since September 2024. Declines were seen in several sectors, with construction rising. All regions experienced drops, while hires and separations remained unchanged at 5.1 million. Positive for Gold.
- The US ISM Services PMI rose to 54.4 in December 2025, up from 52.6 in November, surpassing expectations and marking the strongest growth since October 2024. All subindexes expanded, including business activity and new orders, while price pressures eased and supplier deliveries slowed. Positive for USD.

- China's central bank increased its gold reserves for the 14th consecutive month. The People's Bank of China added 30,000 ounces in December, bringing its total holdings to 74.15 million ounces (approximately 2,320 tons). Positive for gold.
- Data watch: the weekly initial jobless claims (est. 212k for week ending 3 Jan vs. 199k in the week prior), Oct's trade balance (est. -USD58.7bn vs. -USD52.8bn), and Oct's final wholesale inventories (est. 0.2% vs. 0.5% prior).

## Base metals

- Base metals retreated on profit booking as metals have started on strong foot to the start of the year, while risk off sentiments also prevailed on Wallstreet to see major indices ending lower.
- LME inventories data indicating jump in on warrant stocks as on Wednesday, stockpiles surged by the most in six years. In last two months refined zinc from China to European markets have eased the supply concerns, resulting in LME zinc falling in to contango, we expect zinc to underperform in coming weeks.
- China's metal markets are in the grip of a speculative frenzy, with traders and deep-pocketed funds betting on global supply tightness and industrial demand to extend a rally in commodities like copper, nickel and lithium.
- The total turnover of the Shanghai Futures Exchange's six base metals contracts, plus gold and silver futures, reached 37.1 trillion yuan in December, equivalent to more than \$5 trillion. The value was up more than 260% from a year earlier; by trading volume, Dec. 29 was the single busiest day for copper in more than a decade.
- While we are bullish long-term views on the outlook for copper and other metals, the speed of the rally has prompted warnings that the markets could fall just as sharply with traders making profits.
- 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 have jumped in last two months which has resulted in LME spread trading in discount, indicating a healthy supply.

### Base Metals Monitor

Exchange	Commodity	Expiry	8-Jan-26	Daily Change	Daily % Change	6-Jan-26
LMEX	LMEX	-	5294	-117	-2.16%	5411
LME	Aluminium (\$)	-	3088	-41	-1.31%	3129
LME	Copper (\$)	-	12899	-339	-2.56%	13238
LME	Lead (\$)	-	2059	-17	-0.82%	2076
LME	Nickel (\$)	-	17895	-629	-3.40%	18524
LME	Zinc (\$)	-	3167	-84	-2.58%	3251
MCX	Aluminium	Jan	310	-5.2	-1.65%	315.2
MCX	Copper	Jan	1309	-27	-2.02%	1336
MCX	Lead	Jan	191	-4	-2.05%	195
MCX	Nickel	Jan	1332	0	0.00%	1332
MCX	Zinc	Jan	310	-5.7	-1.81%	315.7

**Outlook:** The higher base metals prices of last six months, poses a risk of surging inflation in coming months that could turn the tap off on the easy monetary policies and adversely affect the global expansion affecting base metals demand. The long-term fundamental remains supportive by the supply constraints from mining disruptions and capacity shutdowns but we expect demand to face challenged in Q1-2026. The recent rally appears overstretched and ahead of real demand trends, signalling a likely correction in Q1 2026 as markets recalibrate to revised fundamentals.

## Bullions

### Bullion Daily Change

Exchange	Commodity	Expiry	8-Jan-26	Daily Change	Daily % Change
Comex	Gold (\$)	Spot	4456	-38	-0.85%
Comex	Silver (\$)	Spot	78.18	-3.09	-3.80%
MCX	Gold	Feb	138040	-1000	-0.72%
MCX	Silver	Mar	251500	-6500	-2.52%
Ratio	Goldsilver ratio	-	57.00	1.70	3.07%
Rupee	USDINR	-	90.120	0.00	0.00%
Dxy	Dollar Index	-	98.68	0.1	0.10%
Bond	US-10 T.Yield	-	4.14	-0.03	-0.72%

- Precious metals pulled back, with silver falling below USD80/oz and gold breaking a three-day winning streak and closed 0.9% lower to USD4,452.25/oz. The Chinese central banks adds gold into reserves for 14th straight month in December to reach the holdings around 2320 tons.
- The Commodity index rebalancing from Bloomberg and GSCI could see larger sell-off in precious metals in next 5 trading sessions as BCOMI has reduced weightage on gold/silver for 2026.
- The off late rally in silver is largely driven in speculation and FOMO trades; the rally looks stretched and expect prices to see correction of 10-15% in coming weeks. Silver may test the support of \$72/70.

### Outlook:

Geopolitical developments over the weekend have heightened medium term risks, with muted responses from Russia and China potentially amplifying tensions across the Ukraine–Russia and China–Taiwan fronts. This backdrop is supportive for gold and silver. In 2026, both metals are likely to remain strong, underpinned by robust industrial demand for silver, sustained central bank buying of gold, and tightening global trade and protectionist policies for critical minerals.

Gold: Support at \$4420. Resistance is at \$4550.

Silver: Support at \$76; Resistance at \$84.

## Energy

### Energy Price Monitor

Exchange	Commodity	Expiry	8-Jan-26	Change	Daily % Change	6-Jan-26
Nymex	Crude (\$)	Feb	55.99	-1.14	-2.00%	57.13
Nymex	Natural gas (\$)	Jan	3.52	0.17	5.07%	3.35
MCX	Crude	Jan	5045	-163.00	-3.13%	5208
MCX	Natural gas	Jan	319.4	13.30	4.34%	306.1

- Oil extended losses after news that the US is likely to exert greater control over Venezuela's oil industry. The US European Command told US forces seized a Venezuela-linked, Russia-flagged ship in the north Atlantic. WTI fell 1.5% to close at USD56.30/bbl while its Brent counterpart lost 0.4% to close at around USD60.46/bbl.
- US natural gas futures rebounded Wednesday as forecasts called for colder temperatures in mid-January, ending a string of losses in the previous five trading sessions. A short-term rally driven by the cold temperatures may be expected given the next storage report could show levels above five-year averages. We expect the current contract to remain trading in range of Rs 280-360 level, with weather forecast showing support for further rallies.

#### Outlook:

*Global crude oil market dynamics are undergoing a structural shift as the US takes greater control over Venezuelan crude-oil affairs, enhancing its long-term energy security. This development reduces US dependence on OPEC+ and weakens the cartel's influence on global crude pricing. Improved access to heavy crude supplies also supports US refiners. However, the resulting increase in supply flexibility and pricing power is likely to cap upside risks, reinforcing a bearish long-term outlook for global crude oil markets.*

*Short term trading range \$54-\$58*

*Long term trading range \$45/- \$62.*

#### Daily Price Monitor

Exchange	Commodity	Expiry	Daily trading range	Trend
MCX	Aluminium	Jan	302-312	Sell on rise
MCX	Copper	Jan	1295-1325	Sell on rise
MCX	Lead	Jan	195-210	Sell on rise
MCX	Nickel	Jan	2200-308	Sell on rise
MCX	Zinc	Jan	310-320	Sell on rise
MCX	Gold	Feb	135000-140000	Sell on rise
MCX	Silver	Mar	240000-258000	Sell on rise
MCX	Crude	Jan	4950-5250	Sell on rise
MCX	Natural gas	Jan	300-335	Buy on dips
Comex	Gold	Spot	\$4420-\$4551	Sell on rise
Comex	Silver	Spot	\$75-\$82	Sell on rise
Nymex	Crude oil	Feb	\$54-\$57	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](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.