


Commodities Canvas

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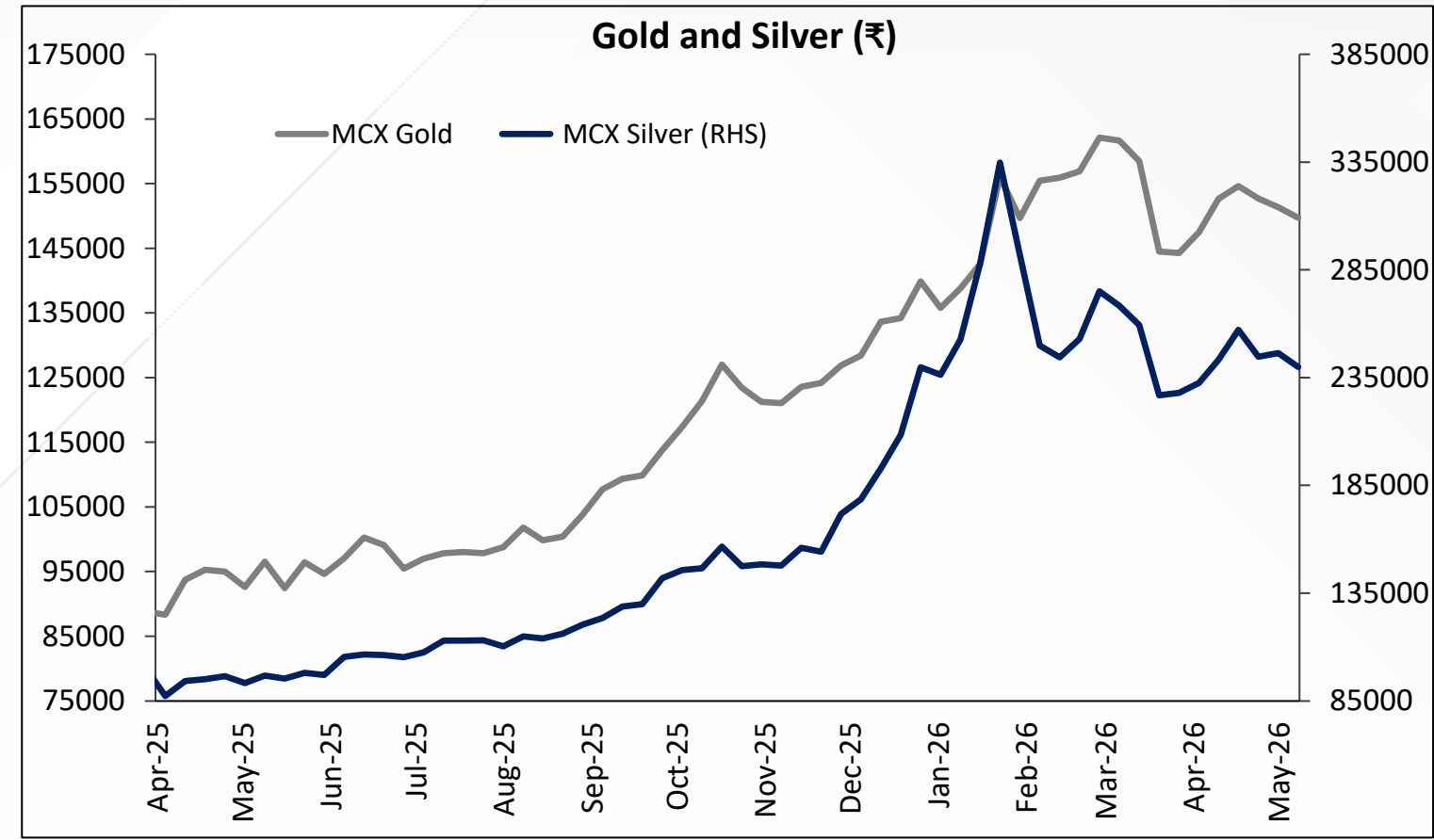
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Commodity Returns

Commodity	Closing price (05/5/2026)	1 week	1 month	1 Year	YTD	Analysis
Gold (₹)	149867	-1.1%	-0.9%	76.5%	11.7%	Prices consolidating close to critical support zone
Gold (\$)	4554	-2.0%	-1.0%	64.7%	6.2%	Non-directional amid mixed cues
Silver (₹)	249500	2.6%	1.5%	170.2%	4.5%	Reversal from support, resistance caps upside
Silver (\$)	73.69	-0.5%	1.9%	147.9%	-1.5%	Non-directional amid mixed cues
Crude Oil (₹)	9866	9.6%	3.1%	91.1%	85.4%	Uptrend supported by geopolitical tensions impacting supply outlook
Natural Gas (₹)	269	10.7%	-4.1%	8.7%	-21.6%	Holding above support levels, hinting at developing bullishness.
Copper (₹)	1284	-0.9%	10.0%	62.1%	0.1%	Prices consolidating close to critical support zone
Zinc (₹)	345	1.7%	7.5%	10.3%	11.7%	Reversal from support, resistance caps upside
Aluminium (₹)	372	-1.4%	4.4%	22.8%	25.6%	Edging higher with renewed buying interest
Dollar index	98.4	-0.3%	-1.8%	-9.4%	-0.2%	Reversal from support, resistance caps upside

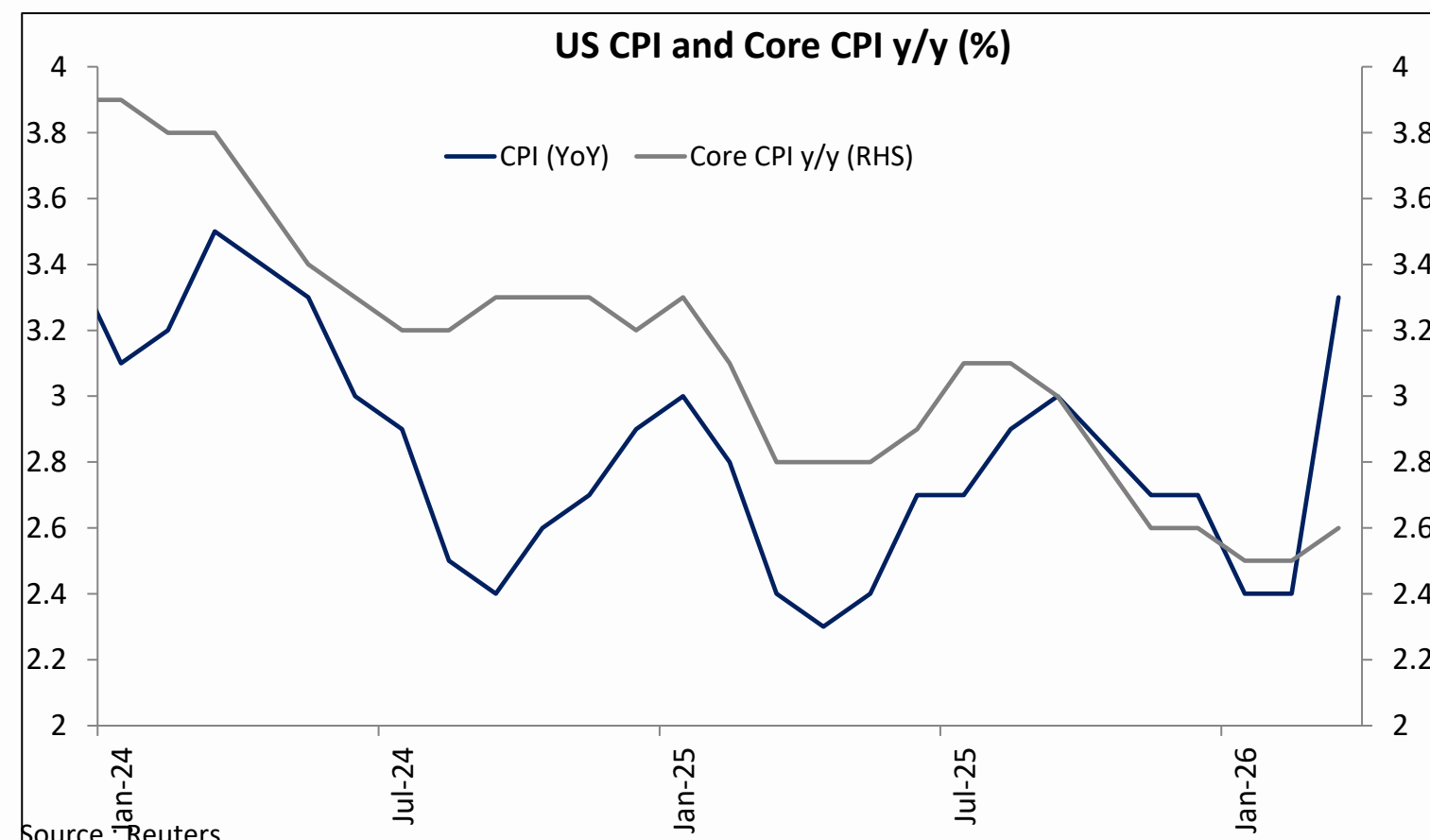
Precious Metals

Gold and Silver in a volatile phase



Source : Reuters

US CPI higher than Core, showing impact of energy costs

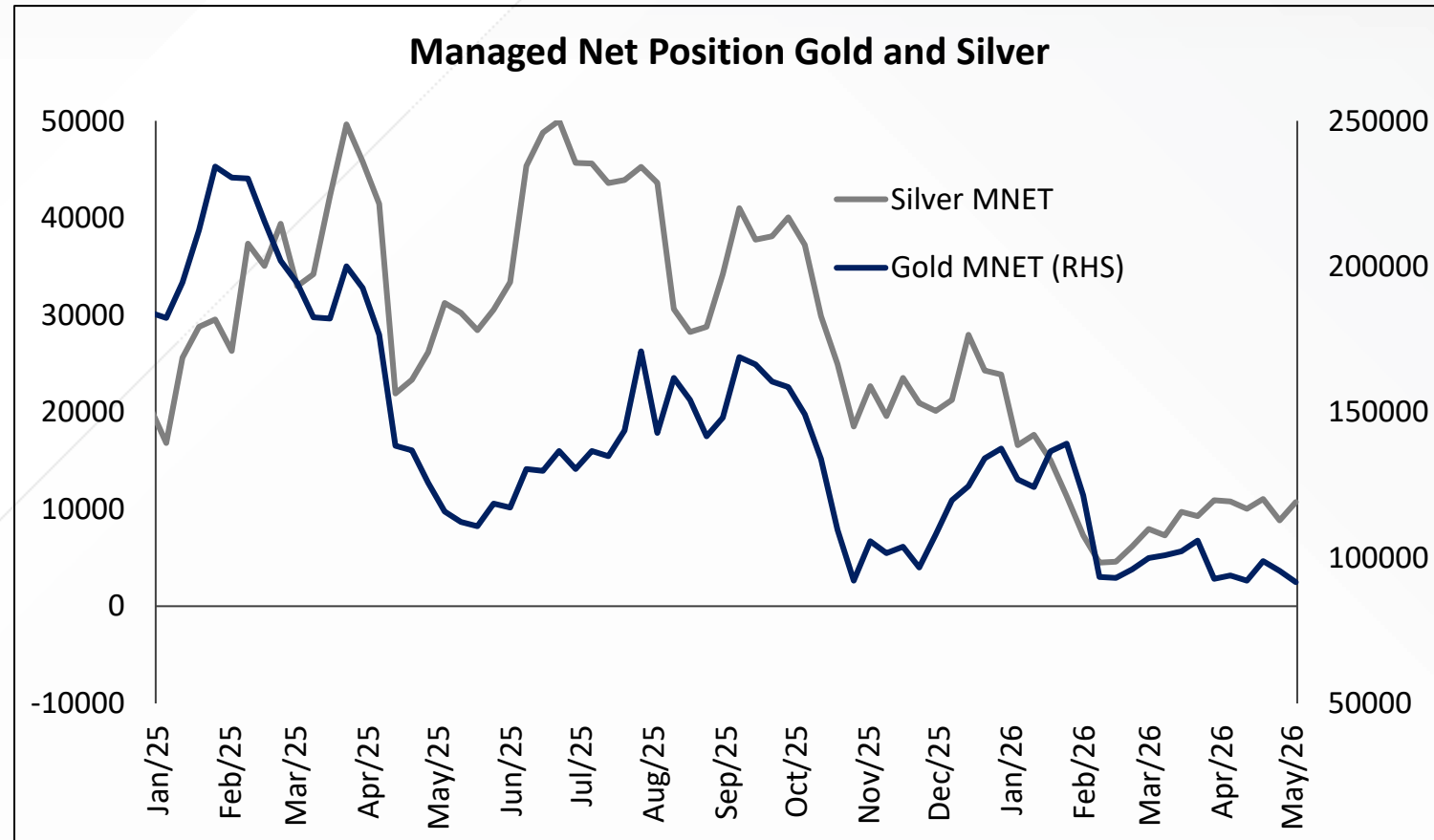


Source : Reuters

- Gold traded in a narrow range in month of April 2026
- Meanwhile, Silver witnessed higher swings, posting gains of ~1% MoM
- Gold/Silver ratio remained range-bound within the prior month's band of 55–65
- Meanwhile, US Dollar and Yields remained slightly higher, limiting upside in bullion
- Japan 10Y yields also remained elevated near ~0.95–1.05%, adding global yield pressure
- USDINR saw sharp two-way volatility, driven by RBI intervention and geopolitical pressures
- US real yields held high in ~1.95–2.10% range, capping gold rallies
- Also, US 1 year and 5 year forward inflation expectation has started rise, which till now was stable
- US CPI stayed sticky ~3%, with core CPI slightly lower showing effects of energy and food cost
- US GDP showed signs of weakness, however US inflation is yet to show full impact of US-Iran war and tariff led analysis
- Retail and macro data showed resilience, preventing aggressive rate cut expectations
- Last month, Governor Powell conducted his last policy meeting as Fed chair
- Federal Reserve held rates steady but flagged upside inflation risks
- Hawkish tone from Fed nominee Kevin Warsh reinforced higher-for-longer stance
- Any updates from Kevin Warsh and his confirmation as Fed chair could trigger volatility
- ECB, BOE and BOJ maintained hawkish bias, supporting global yields

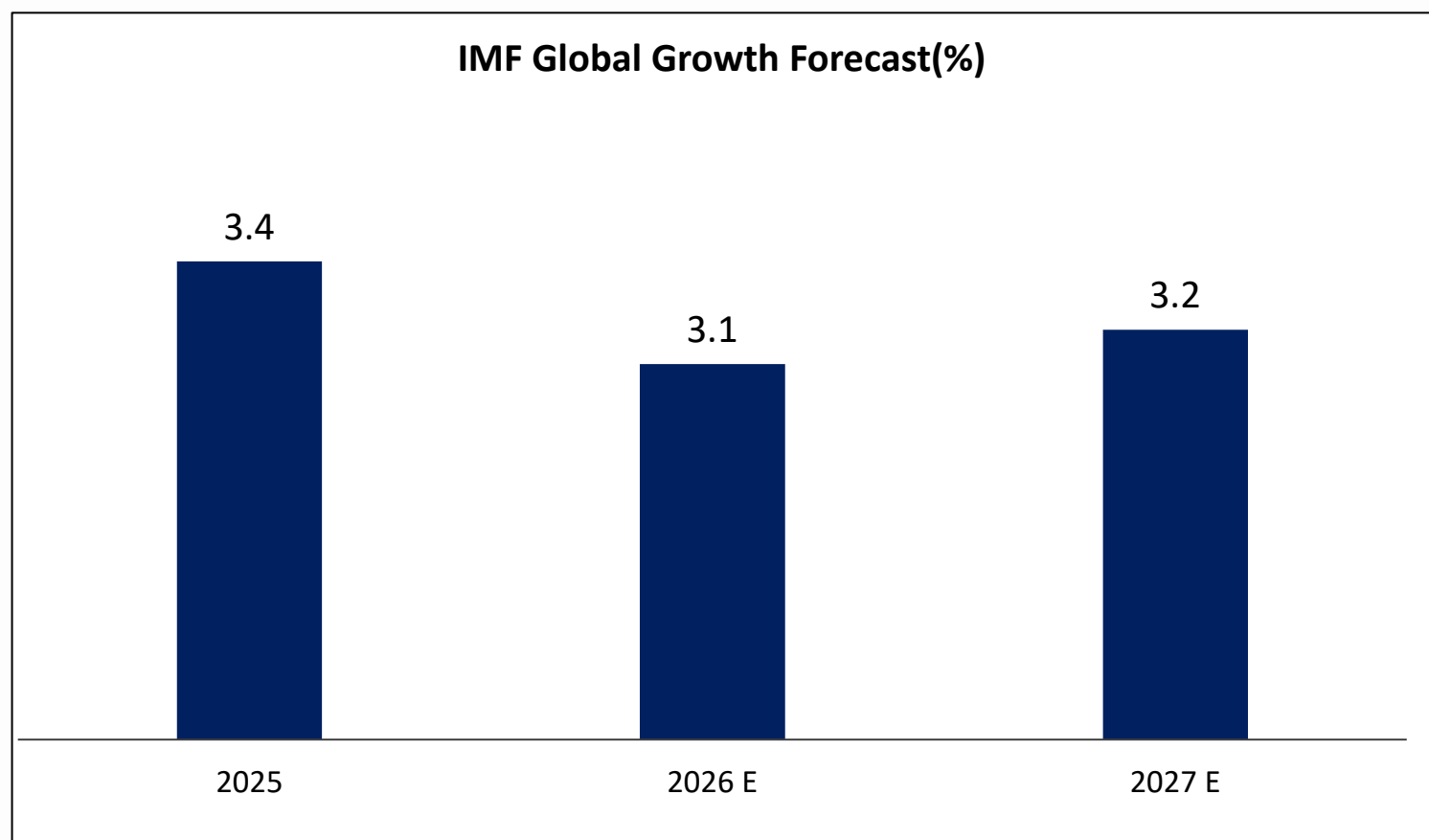
Precious Metals

Neutral Positioning with no fresh build-up



Source : Reuters

IMF downgrades growth forecast for this year



Source : Reuters

- Early April saw escalation in US–Iran tensions disrupting ~20% of Hormuz-linked oil flows
- Escalating disruption with no signs of a pause, oil prices surged ~10% MoM, intensifying inflation concerns
- Mid-month ceasefire/truce and failure of negotiations triggered some volatility in prices
- Central bank buying remained structurally supportive in background (not price driver short-term)
- Global ETF AUM declined by ~\$2–3 billion, extending March’s liquidation trend
- Meanwhile, combined silver inventories at SHFE and SGE have surged to their highest YTD level to 1254 tons
- CFTC gold net longs stabilized around ~160K–175K contracts after March liquidation
- No aggressive fresh long build-up, indicating neutral positioning
- Silver net longs remained ~20–25% below February highs
- Positioning data reflected consolidation rather than trend formation
- China imports remained firm with ~10–15% MoM increase in silver demand
- Silver fundamentals remained mixed with strong solar demand (~15% YoY growth)
- Rising inventories and weak base metals capped silver upside
- IMF growth outlook remained cautious, highlighting global slowdown risks
- Focus this month will be on development on US-Iran tensions, Fed interest rate expectations, economic data and demand-supply scenario
- Gold & silver are likely to remain in a consolidation phase this month as well

Gold

Current Month Stance: **Sideways-to-Lower**

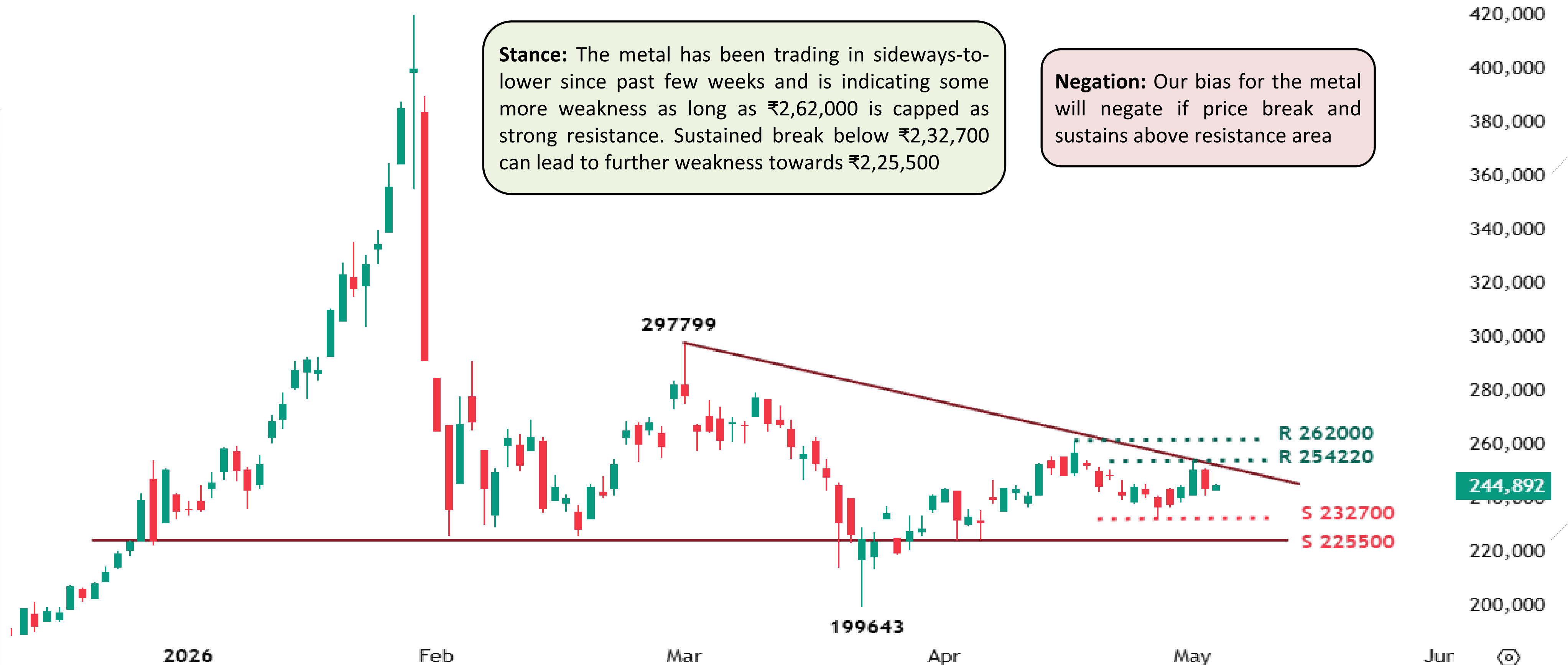
Daily Chart



Silver

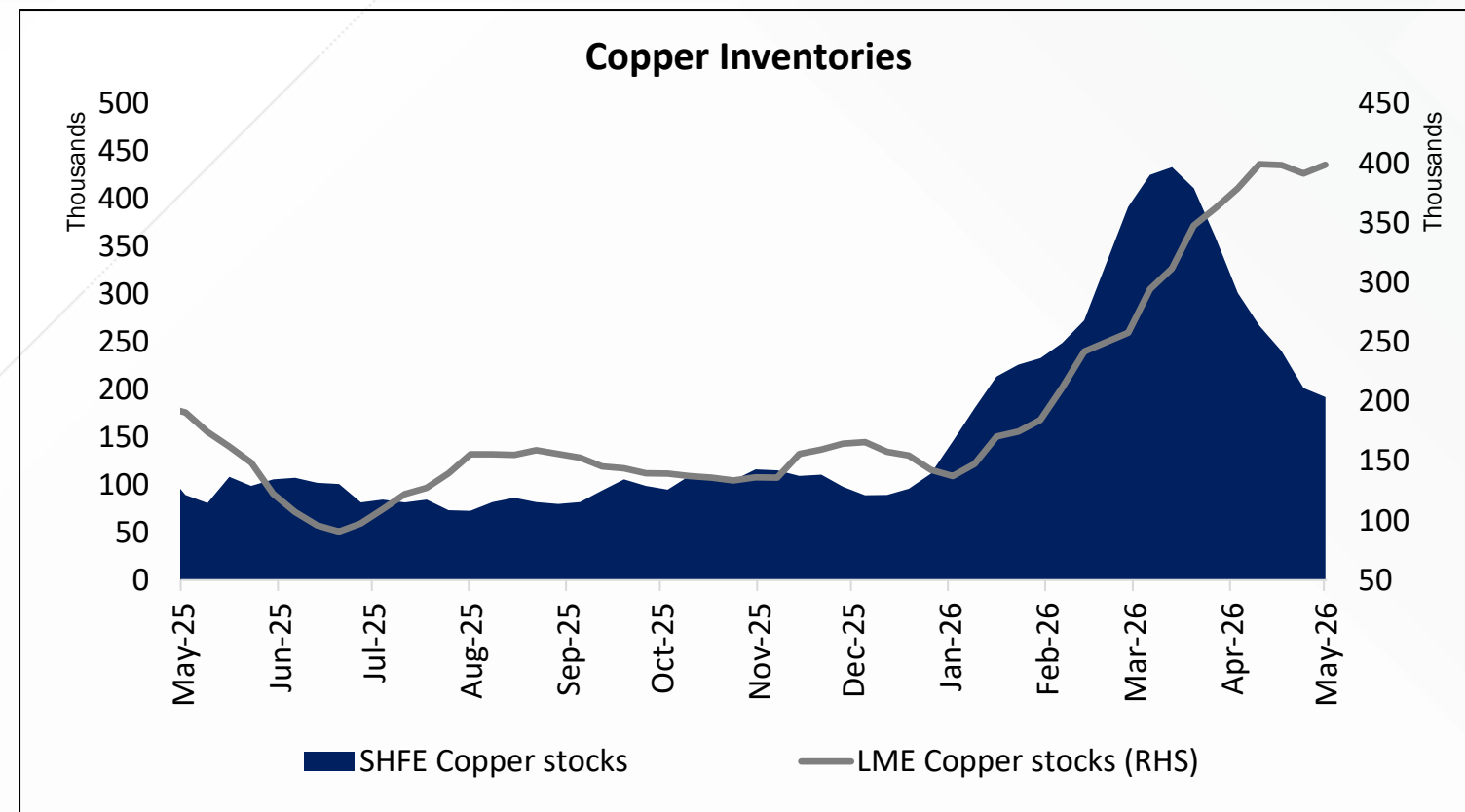
Current Month Stance: **Sideways-to-Lower**

Daily Chart



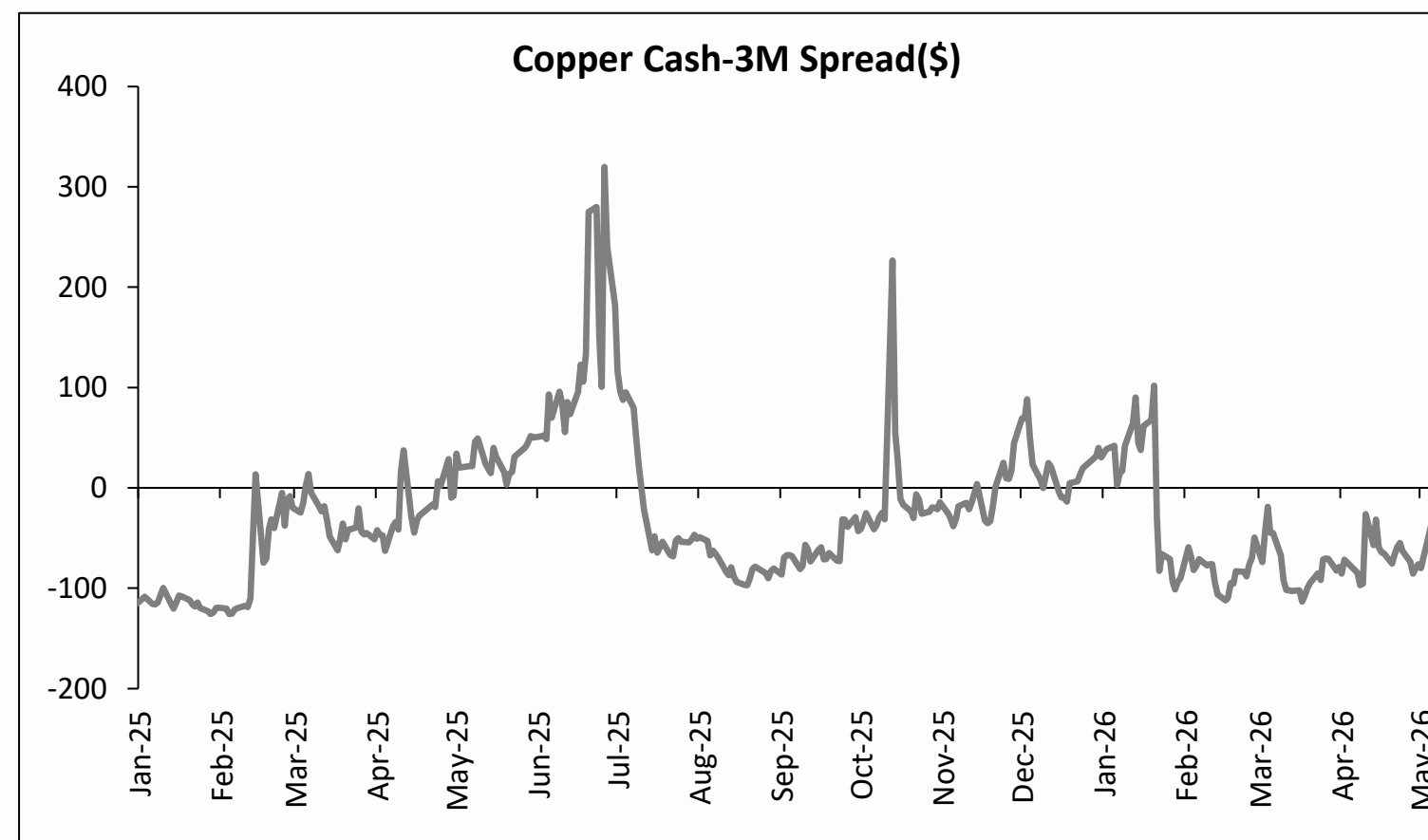
Base Metals- Copper

Stocks depleting at a faster pace at SHFE than at LME



Source : Reuters

Copper cash-3M remains in contango since the beginning of 2026

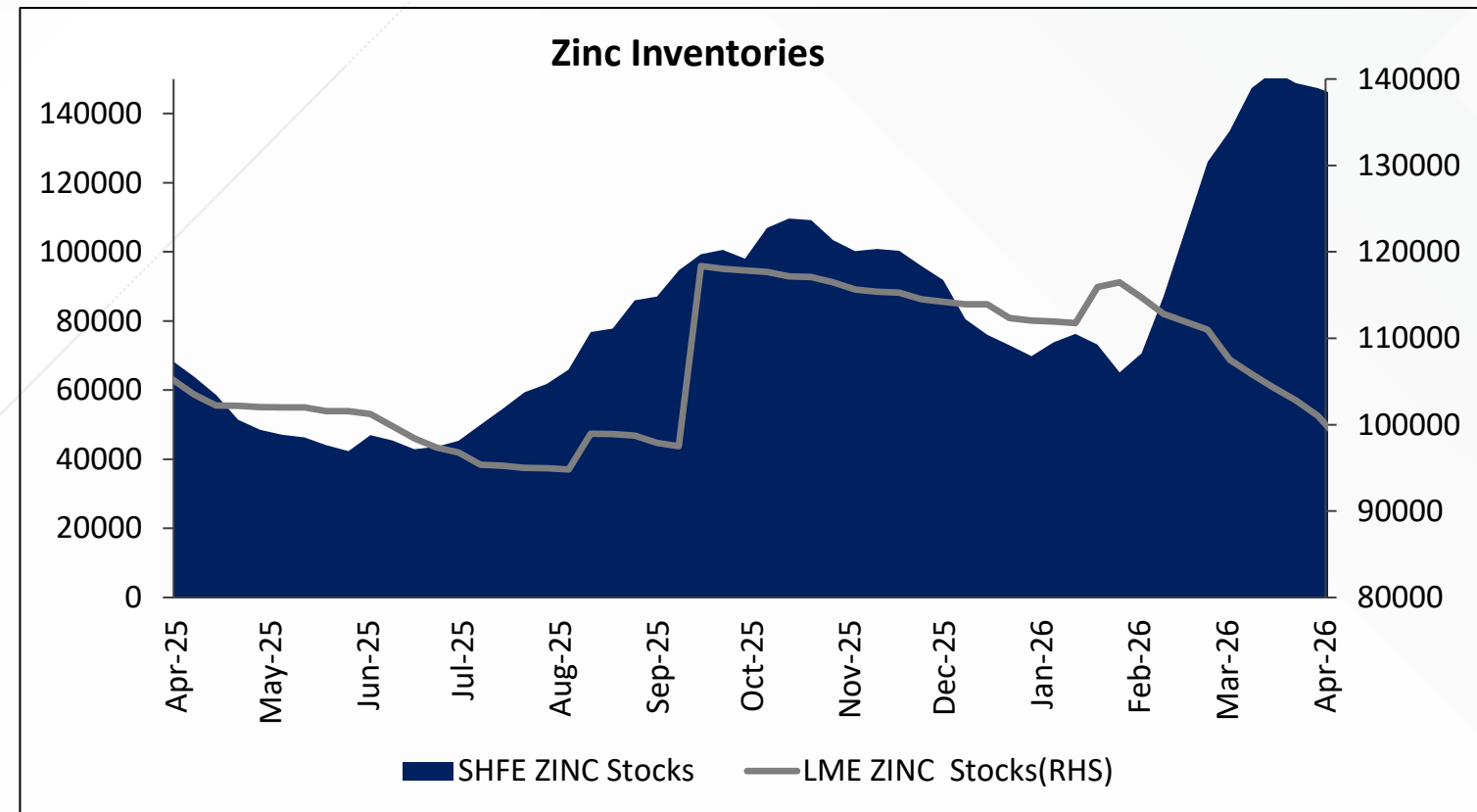


Source : Reuters

- MCX copper prices rose by 10% MoM, driven by upstream tightness and improvement in Chinese demand
- While overall inventories remain high, SHFE inventories have halved in a months' time
- The global refined copper market is expected to shift to a surplus of 96,000 metric tons in 2026, reversing a previously forecast deficit of 150,000 tons acc to ICSG
- Chinese demand is projected to rise 1.9% in 2026, with growth of 1.3% anticipated in other regions
- Consumption in the European Union and Japan expected to remain subdued, while Asia will continue to drive global growth
- LME cash-to-3M spreads remained in contango, indicating no immediate physical tightness
- Middle East tensions remain key downside risk for global demand sentiment
- Sulphur supply constraints emerging as a critical production risk (Chile, DRC SX-EW operations)
- China's proposed sulphuric acid export ban is expected to further tighten markets
- US dollar strength and rising oil prices are increasing inflationary pressures globally
- Copper is expected to trade in a sideways trend, as market rebalancing is expected as demand recovers, driven by structural growth factors.

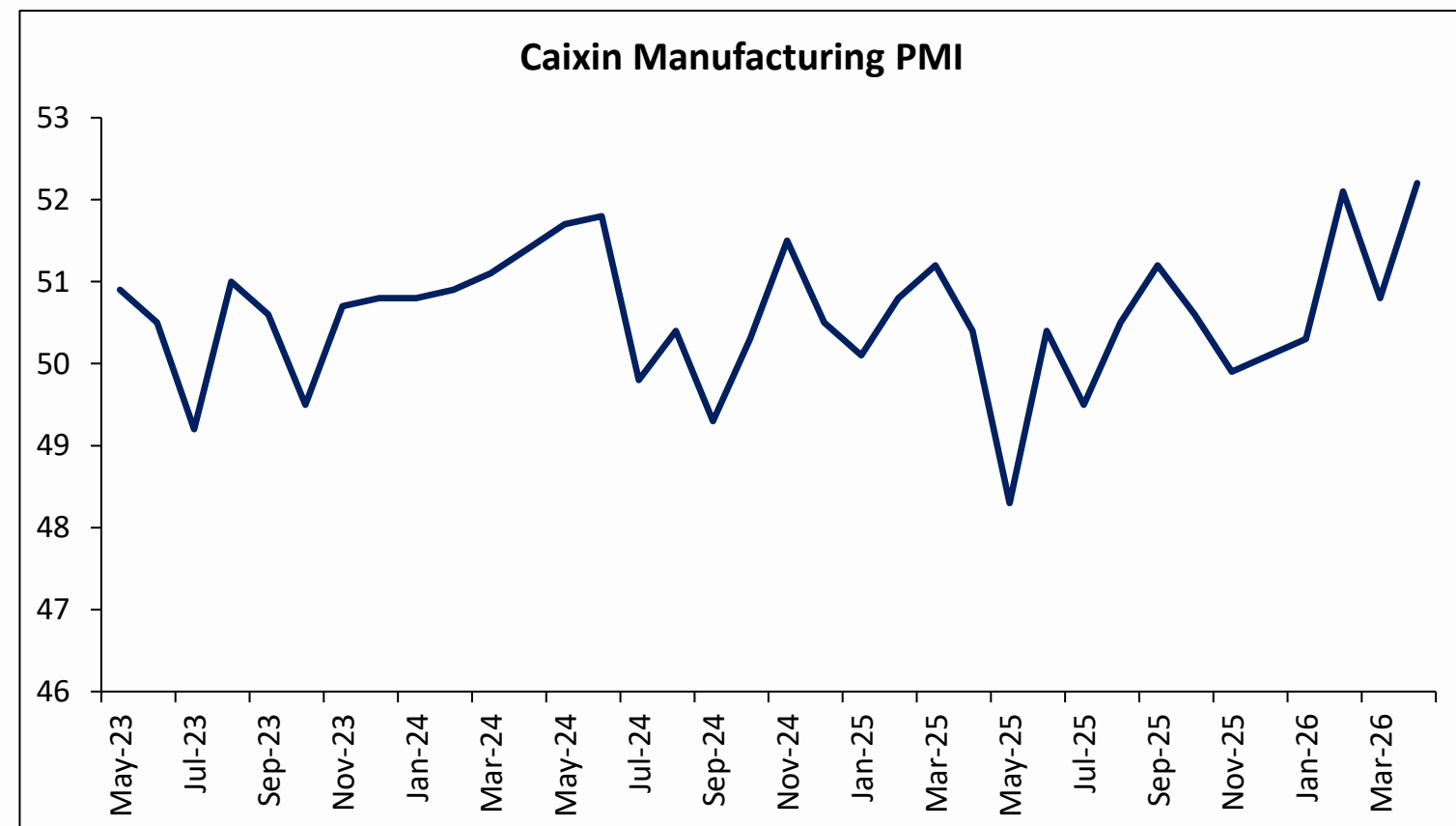
Base Metals- Zinc

Inventories rising at SHFE but different picture at LME



Source : Reuters

Manufacturing PMI rose to expansionary zone again in China

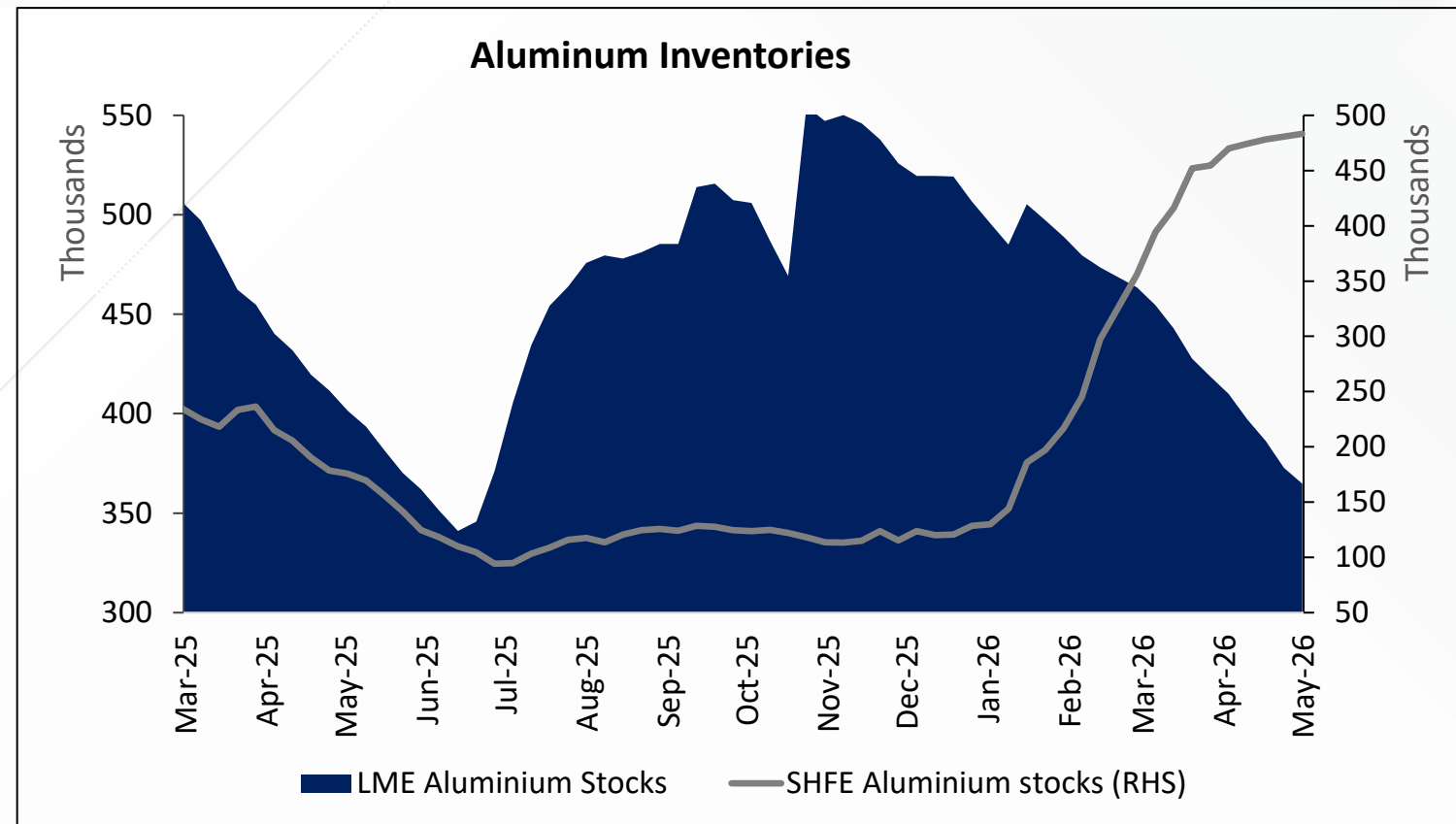


Source : Reuters

- MCX zinc rose 7% MoM amid supply disruptions and low LME inventories and persistent backwardation
- Better than expected Chinese PMI figures have supported metal prices extensively
- Chinese smelters faced tighter concentrate availability due to the Middle East conflict
- The conflict has disrupted concentrate flows, with Iran and Russia supplying about 15% of China's zinc feedstock
- Treatment charges remain low, indicating continued concentrate tightness
- The Middle conflict has been adding cost pressures mainly for energy and freight
- LME inventories declined by 15% YTD, showing signs of physical tightening
- However, SHFE inventories increased ~90% YTD, indicating weak domestic demand
- ILZSG forecasts a zinc market deficit of 19,000 metric tons in 2026 and global demand is expected to rise by 1.3% to 14.00 million tons
- While geopolitical tensions added supply-side risks and supported zinc prices, the upside remains moderated by improving refined supply and subdued demand growth.

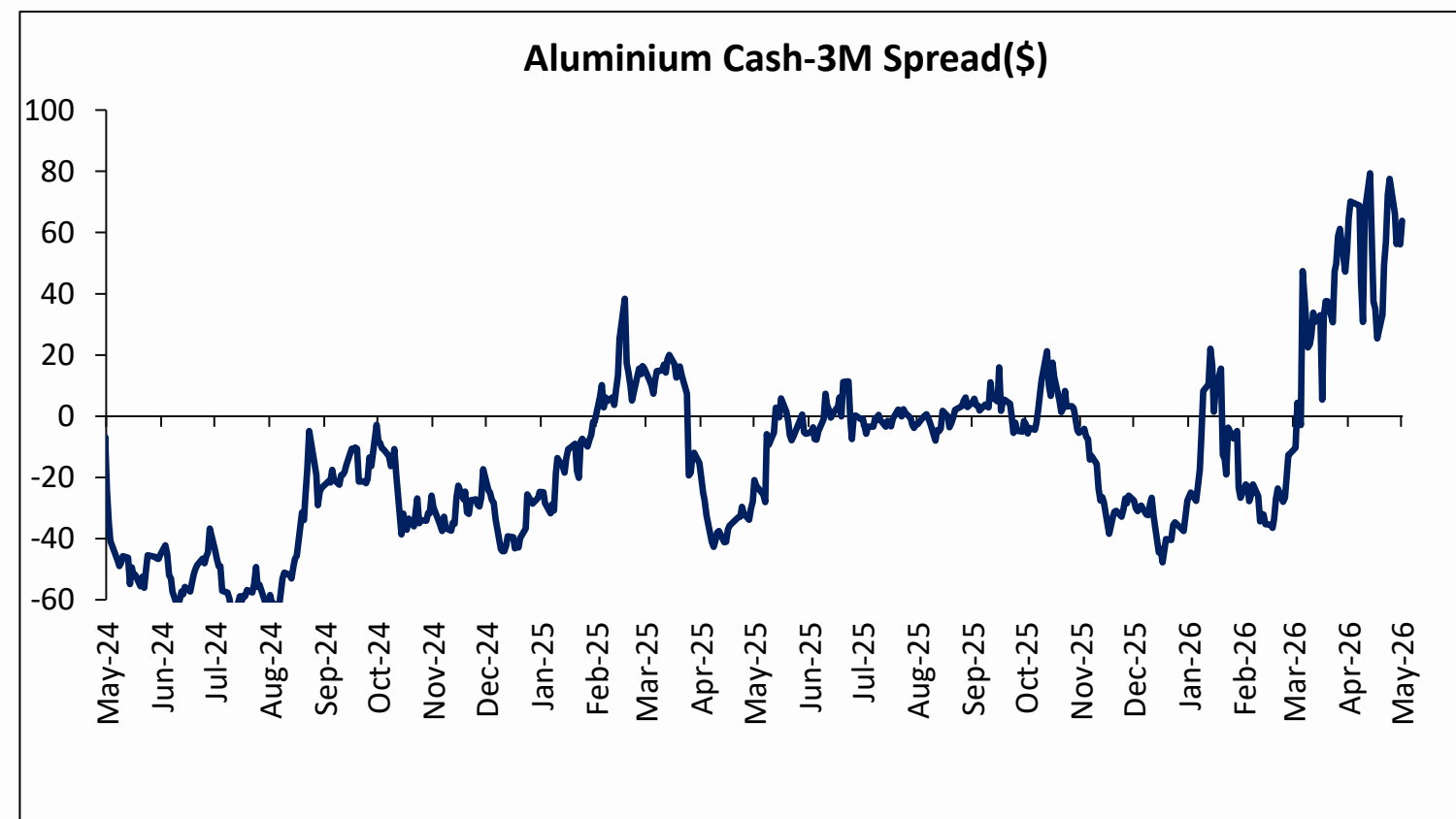
Base Metals- Aluminium

Inventories rising at SHFE, while LME shows sustained downtrend



Source : Reuters

LME Cash-3M spreads widens to highest level in 5 years



Source : Reuters, FastMarkets

- MCX aluminium rose by 4% MoM amid prolonged supply disruptions from attacks on key smelters in the Middle East and energy price risks
- Gulf region disruptions (~9% global supply) are central to current tightness
- Major outages: Qatalum (~40% curtailed)
- Alba damage (~630 kt capacity)
- Al Taweelah (~1.6 Mt affected)
- Mozal smelter shutdown (Mozambique) tightening European supply (~20% import share)
- China production capped (~45 Mt) limits global supply response structurally
- The LME cash-to-3M spread moved to 5-year highs near \$78, indicating tightening conditions
- LME inventories have declined 65% YTD, reinforcing the tightening supply environment
- Structural demand drivers intact: EV lightweighting
- Solar + grid infrastructure
- Construction (especially India)
- Aluminium is expected to remain supported amid prolonged supply strains and energy price risk, however any resolution to war may trigger profit booking.

Copper

Current Month Stance: Range bound

Daily Chart



Zinc

Current Month Stance: **Bullish**

Daily Chart

Stance: Prices are likely to rally towards the first resistance at ₹360 followed by ₹390 level amid sustained buying interest.

Negation: The bullish outlook will be invalidated if prices close below the ₹300 level.

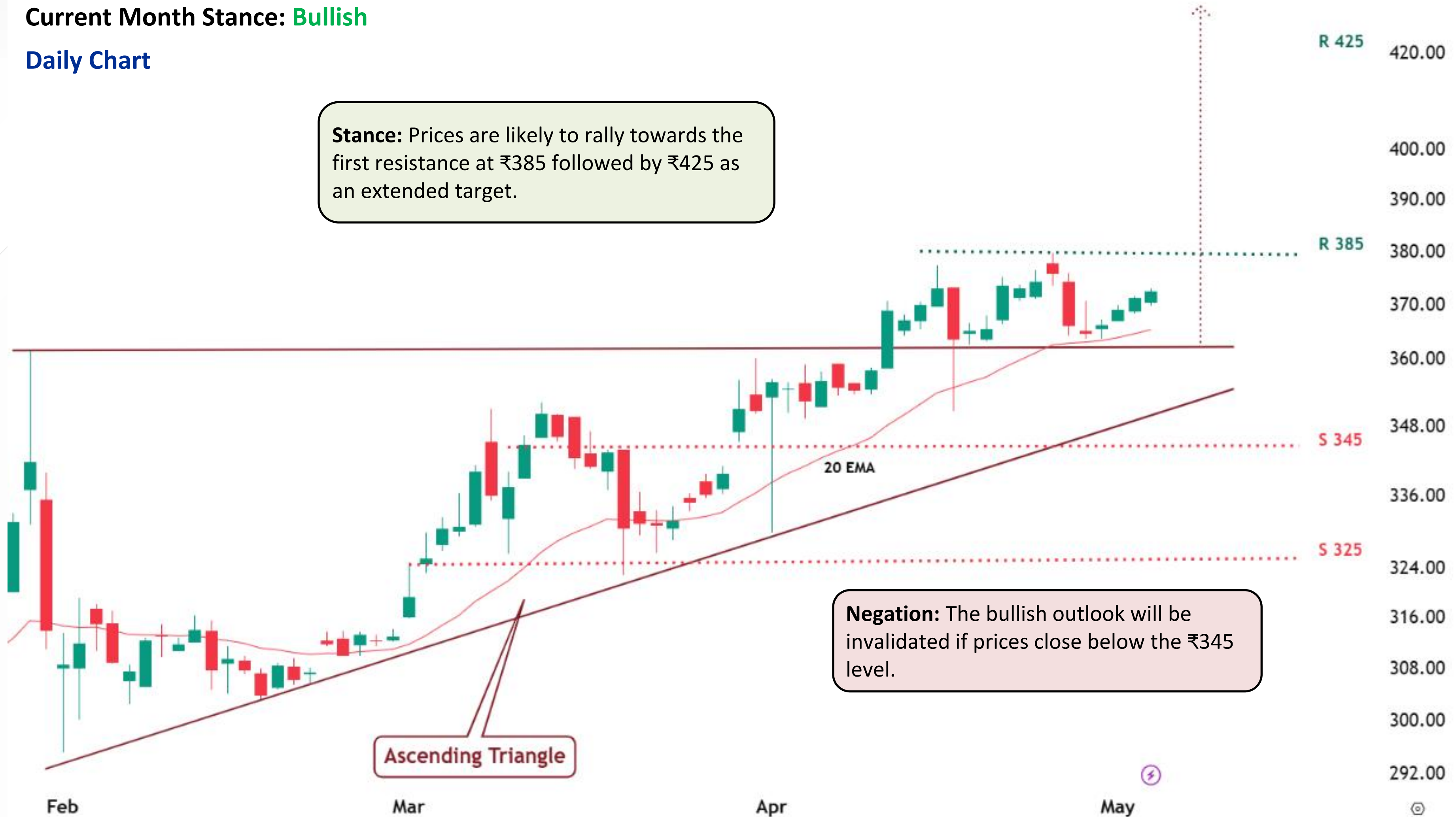


Aluminium

Current Month Stance: **Bullish**

Daily Chart

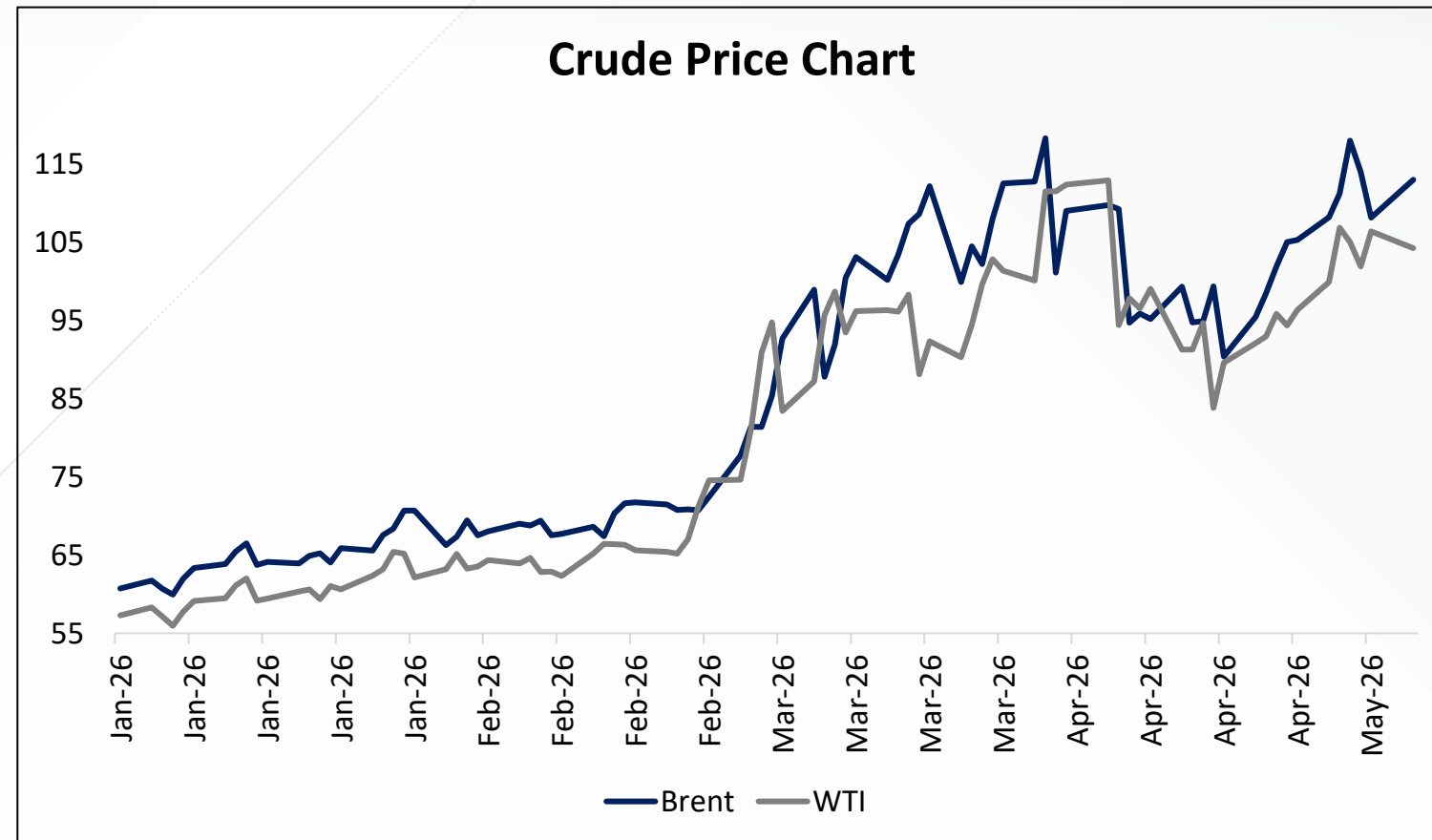
Stance: Prices are likely to rally towards the first resistance at ₹385 followed by ₹425 as an extended target.



Negation: The bullish outlook will be invalidated if prices close below the ₹345 level.

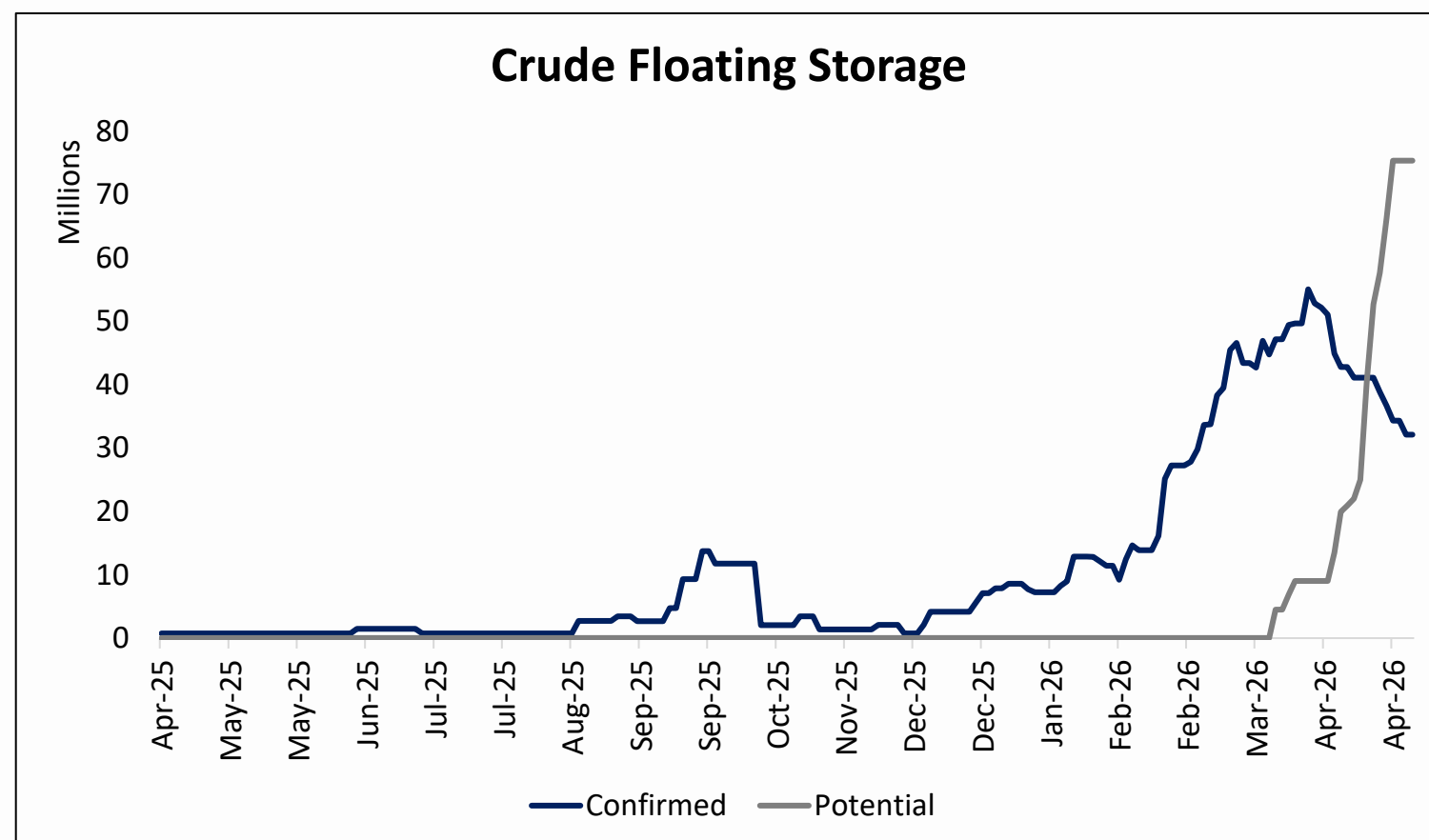
Ascending Triangle

Crude Price trying to stage a recovery



Source : Reuters

Massive build up in floating storage



Source : Reuters

- U.S.–Iran conflict, now in its 10th week, has triggered one of the largest physical supply shocks in recent history
- Physical crude surged toward \$150/bbl, prompting warnings of the “greatest energy security crisis in history”, as markets rapidly repriced geopolitical risk and supply scarcity
- A brief ceasefire in early April led to a sharp price correction, highlighting how fragile sentiment remains
- During the ceasefire window, Iran allowed limited passage, but flows tightened again after Apr 13 as tensions resurfaced and naval activity continued eventually pushing prices back up
- Saudi rerouting via Yanbu is running at partial capacity (~2–3 mb/d), as Red Sea threats cap scalability
- Saudi Arabia’s decision to cut June OSPs to Asia signals that refiners are under pressure
- Global inventories have fallen to around ~101 days of demand, while refined product buffers have also tightened, pointing to real physical stress in the market
- UAE’s exit from OPEC marks the biggest structural shift in the group since 1960
- UAE might now considering increasing output its ~4.85 mb/d capacity vs. ~3.2 mb/d OPEC quota
- OPEC’s output hike for June (+188 kb/d) remains symbolic, as actual supply remains constrained
- U.S. launched “Project Freedom” to escort vessels, but Iran’s counterattacks on ships kept risk premiums elevated
- Isolated escorted shipments proved that flows are possible but not scalable, meaning supply risks have shifted from absolute disruption to intermittent, high-risk availability
- Until there is any clarity on the US Iran war front, every diplomatic headline will now inject sharp two-way volatility: peace signals compress the risk premium hard, escalation snaps it back equally fast

Crude Oil

Current Month Stance: **Buy**

Daily Chart

Stance: It has traded with positive bias after marking a low of ₹7,525 and is likely to continue the same in the upcoming weeks. Price sustained break above ₹10,600 – 10,990 zone will lead the rally towards ₹12,500 mark



Negation: Our bias for the counter will be negated if price breaks and closes below ₹8,750

Natural Gas

Current Month Stance: **Buy**

240-min Chart



Stance: It has given a breakout of falling channel signifying further strength in price for medium-term. As long as it holds above ₹254 bias remains positive and is likely to target ₹305 – 315 levels

Negation: Our bias for the counter will be negated if price breaks and closes below ₹254

Economic Events- May 2026

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
4 -	5 US ISM Services PMI US JOLTS Job Openings	6 US ADP Non-Farm Emp Change US Crude Oil Inventories	7 Unemployment Claims US Natural Gas Storage	8 UK BOE Gov Bailey Speaks US Average Hourly Earnings (MoM) US Nonfarm Payrolls US Unemployment Rate
11 US Fed Chair Nomination Vote	12 US Core CPI m/m US CPI m/m US CPI y/y	13 US Core PPI m/m US PPI m/m US Crude Oil Inventories	14 Uk GDP m/m US Core Retail Sales m/m US Retail Sales m/m US Unemployment Claims US Natural Gas Storage	15 -
18 -	19 UK Claimant Count Change	20 UK CPI y/y US Crude Oil Inventories US FOMC Meeting Minutes	21 UK Flash Manufacturing PMI UK Flash Services PMI US Natural Gas Storage	22 -
25 -	26 -	27 -	28 US Core PCE Price Index m/m US Prelim GDP q/q US Unemployment Claims US Natural Gas Storage US Crude Oil Inventories	29 -



Central Bank Policies

Central Bank	RBI	FED	BOJ	BOE	ECB
Date of Policy	8th April 2026	29th April 2026	28th April 2026	30th April 2026	30th April 2026
Next Policy meet	4th June, 2026	16th June, 2026	16th June, 2026	18th June, 2026	11th June, 2026
Current Interest rate (%)	5.25%	3.5%- 3.75%	0.75%	3.75%	2.15%
Stance	Pause	Pause	Pause	Pause	Pause
Key highlights of the meeting	<p>RBI decided to keep the repo rate unchanged</p> <p>Policy stance kept neutral</p> <p>Quarterly growth projections are:</p> <p>Q1 FY27: 6.9%</p> <p>Q2 FY27: 7%</p> <p>CPI Inflation (FY27): Projected at 4.6% (revised up from earlier projections)</p> <p>Open Market Operations and \$5 billion USD/INR swap operation to add durable liquidity</p>	<p>The Fed kept the federal funds rate at 3.5%–3.75%</p> <p>In a rare 8–4 split (the most dissent since 1992), four members broke ranks</p> <p>This was Jerome Powell’s final meeting as Chair</p> <p>Officials highlighted that inflation remains "elevated," specifically citing high energy prices</p> <p>Fed delivered a hawkish outlook.</p>	<p>Bank of Japan (BoJ) kept its short-term interest rate unchanged at 0.75%</p> <p>While the rate was held, three board members dissented, voting instead for an immediate hike to 1%</p> <p>BoJ sharply raised its core inflation forecast for fiscal 2026 to 2.8% (up from 1.9% in January)</p> <p>The board halved its GDP growth forecast for fiscal 2026 to 0.5% (down from 1.0%)</p>	<p>Bank of England (BoE) maintained the Bank Rate at 3.75%</p> <p>The majority of the Monetary Policy Committee (MPC) voted to hold rates, 8-1</p> <p>Inflation risks rising again – Energy price shock (Middle East conflict) expected to push inflation higher in near term</p> <p>The Bank noted that while inflation is rising, a weakening labour market and slower GDP growth (forecasted at 0.7% for 2026) are complicating the decision to hike further.</p>	<p>Rates unchanged – ECB kept key rates steady</p> <p>The decision to hold was unanimous, though President Christine Lagarde revealed that the Governing Council debated a potential rate hike</p> <p>Eurozone inflation jumped to 3.0% in April (up from 2.6% in March)</p> <p>Eurozone economy grew by a meager 0.1% in Q1 2026</p> <p>Ready to act if needed – Signaled possible future tightening if inflation persists.</p>
Currency Impacted	USDINR(₹)	Dollar Index(\$)	USDJPY(¥)	GBPUSD(£)	EURUSD(€)
Impact on Currency	Neutral	Positive	Neutral	Positive	Positive
Impact on Gold	Neutral	Negative	Neutral	Neutral	Neutral

Mr. Navneet Damani: Head Research – Commodities and FX

Mr. Manav Modi: Analyst – Bullion

Mr. Yash Sawant: Analyst - Energy

Ms. Pareen Pattni: Analyst

Mr. Ashish Rajodiya: Technical Analyst

Mr. Jigar Dharamshi: Technical Analyst

Mr. Harsh Doshi: Technical Analyst

Mr. Vishal Singh: Technical Analyst

Mr. Rahul Karkare: Analyst

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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