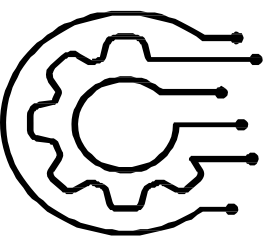




Commodity of the Month

Global Perspective | Strategic Outlook

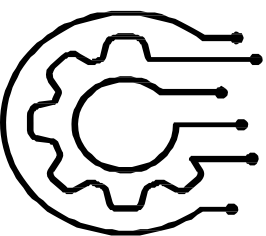
December 2025 Edition



Macroeconomic Indicators



Economic Indicator	Release Date	Actual	Forecast	Previous
U.S. Consumer Price Index (CPI) YoY	Oct 24, 2025 (Sep)	3.0%	3.1%	2.9%
China Consumer Price Index (CPI) YoY	Nov 08, 2025 (Oct)	0.2%	0.0%	-0.3%
U.S. Producer Price Index (PPI) YoY	Nov 25, 2025 (Sep)	2.7%	2.7%	2.7%
U.S. Nonfarm Payrolls	Nov 08, 2025 (Sep)	119K	53K	-4K
U.S. ADP Nonfarm Employment Change	Nov 05, 2025 (Oct)	42K	32K	-29K
U.S. Gross Domestic Product (GDP) QoQ	Sep 25, 2025 (Q2)	3.8%	3.3%	-0.5%
China Gross Domestic Product (GDP) YoY	Oct 19, 2025 (Q3)	4.8%	4.7%	5.2%
U.S. Initial Jobless Claims	Nov 26, 2025	216K	226K	222K
U.S. Manufacturing PMI	Nov 21, 2025 (Nov)	51.9	52.0	52.5
China Manufacturing PMI	Oct 31, 2025 (Oct)	49.0	49.6	49.8



FUNDAMENTAL OVERVIEW



❖ U.S. Inflation Environment

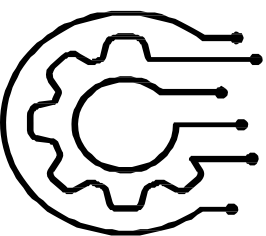
- ❑ U.S. CPI YoY stood at 3.0% for September 2025, coming slightly below expectations of 3.1% and marginally higher than the prior month's 2.9%. This confirms that inflation is easing gradually but remains sticky enough to preserve silver's role as an inflation hedge. The slight upside drift from 2.9% to 3.0% keeps inflation persistence on the radar and reduces the probability of aggressive monetary easing in the near term. Meanwhile, U.S. PPI YoY held steady at 2.7%, unchanged from both the forecast and the prior reading. Stable producer-side inflation indicates well-anchored upstream cost pressures, lowering the risk of renewed CPI acceleration. This balance between moderating consumer inflation and steady producer inflation remains structurally constructive for precious metals, including silver.

❖ U.S. Labor Market

- ❑ Nonfarm Payrolls surged to 119,000 in September, significantly outperforming the forecast of 53,000 and sharply reversing the prior contraction of -4,000. This turnaround confirms that the U.S. labor market has stabilized, helping to reduce recession concerns. However, job creation remains below long-term expansion averages, indicating controlled economic momentum rather than overheating. ADP employment also improved to 42,000 from a prior reading of -29,000, confirming stabilization in private-sector hiring. Initial jobless claims declined to 216,000 from 222,000 and beat expectations of 226,000, signaling limited layoff pressure and continued labor market resilience. While this supports economic stability, it simultaneously restricts the scope for aggressive Federal Reserve easing, creating a mixed near-term outlook for silver.

❖ U.S. Economic Growth

- ❑ U.S. GDP growth for Q2 2025 printed at a robust 3.8%, sharply outperforming the 3.3% forecast and reversing the prior quarter's contraction of -0.5%. The magnitude of this rebound confirms strong underlying economic momentum across the U.S. economy. This strength directly supports industrial silver demand from key sectors such as manufacturing, electronics, solar power, and infrastructure, reinforcing the metal's industrial demand base despite global uncertainties.



FUNDAMENTAL OVERVIEW



❖ China Economic Deceleration

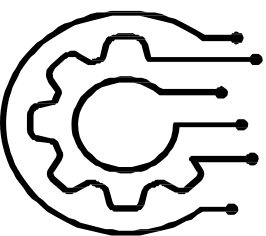
- ❑ China's GDP growth slowed to 4.8% year-on-year in Q3 2025 from 5.2% in the previous quarter, even though it marginally exceeded expectations. This slowdown confirms a structural deceleration in the world's largest industrial metals consumer. At the same time, China's Manufacturing PMI slipped to 49.0 from 49.8, remaining in contraction and missing market expectations. Persistent sub-50 readings signal ongoing factory weakness, soft domestic demand, and continued export challenges. This directly caps industrial silver demand, particularly from electronics, solar panels, and electric vehicle components. China's CPI at just 0.2%, near deflation, further highlights weak household demand and low pricing power, reinforcing caution on silver's industrial offtake from China.

❖ Global Manufacturing Cycle

- ❑ The U.S. Manufacturing PMI eased to 51.9 from 52.5, remaining in expansion territory but clearly showing moderating momentum. At the same time, China's PMI remains in contraction at 49.0. Together, these readings confirm that the global manufacturing cycle is cooling, which is moderating the pace of growth in silver's industrial consumption worldwide.

❖ Geopolitical Risks

- ❑ Russia–Ukraine peace efforts have made progress with the U.S., under President Trump, playing a central mediating role. Ukraine has accepted the core U.S.-backed proposals, while Russia remains cautious due to territorial concerns. Ongoing military strikes continue to keep downside geopolitical risks elevated. A successful peace agreement would reduce the geopolitical risk premium embedded in silver prices, while any breakdown in negotiations would likely trigger sharp safe-haven inflows. Simultaneously, persistent instability in the Middle East and overlapping conflicts continues to drive global risk aversion. These conditions have already contributed to strong silver price performance in 2025, largely driven by defensive asset allocation.



FUNDAMENTAL OVERVIEW



❖ Trade Wars and Tariff Risks

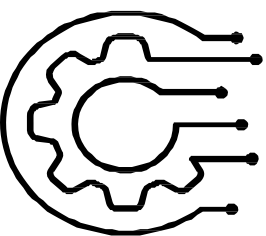
- ❑ U.S.–China trade tensions remain unresolved, with fresh tariffs and sanctions continuing to disrupt global trade flows. These measures have increased input costs across manufacturing and energy supply chains. Given silver’s dual identity as both a precious and industrial metal, it remains highly sensitive to such disruptions. Prolonged trade tensions support both inflation hedging demand and supply-side cost inflation in industrial metals. Conversely, any normalization in trade relations would reduce inflation hedging demand while improving industrial confidence, partially offsetting potential downside in silver prices.

❖ Global Interest Rate Outlook

- ❑ Markets continue to expect the Federal Reserve to maintain a cautious monetary policy stance, with rate cuts likely only in 2026 if inflation continues to moderate. Lower future interest rates reduce the opportunity cost of holding non-yielding assets such as silver, structurally weaken the U.S. dollar, and support precious metal investment demand. However, any renewed hawkish shift from the Federal Reserve could pressure silver on a short-term basis through higher real yields and a stronger U.S. dollar.

❖ Global Growth Outlook for 2026

- ❑ Global institutions, including the IMF, project moderate global growth in 2026, with downside risks dominating the outlook. Slower growth would dampen industrial silver demand from sectors such as electronics, solar, and electric vehicles, but it would simultaneously increase safe-haven and portfolio hedging demand. On the other hand, a stronger-than-expected global recovery would revive industrial silver consumption and could sustain a structurally bullish outlook for the metal.



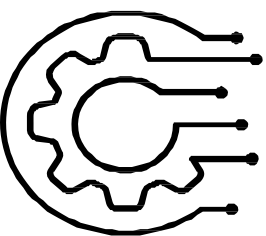
FUNDAMENTAL OVERVIEW

❖ Silver Market Outlook

- ❑ Silver's outlook remains constructively bullish, supported by a powerful combination of elevated geopolitical risks, persistent inflation above target levels, medium-term expectations of Federal Reserve rate cuts, strong safe-haven investment demand, and resilient U.S. economic performance. These factors continue to provide a strong underlying price floor and reinforce positive investor sentiment toward precious metals. While China's manufacturing contraction, the gradual cooling in the global industrial cycle, and the Federal Reserve's near-term "higher-for-longer" stance may temper the pace of gains, these headwinds currently act more as speed breakers rather than trend reversers. Overall, the fundamental balance clearly tilts in favor of upside potential for silver over the medium term.

❖ Final Fundamental Conclusion on Silver

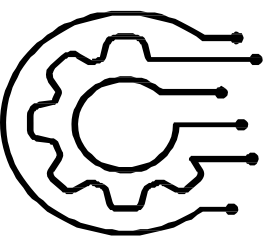
- ❑ Silver remains structurally well-supported and biased to the upside through 2025–26, driven by a powerful combination of elevated geopolitical risk, persistent inflation above target levels, and evolving expectations of medium-term monetary easing. Strong safe-haven demand and resilient U.S. economic performance continue to reinforce silver's dual role as both a defensive asset and a critical industrial metal. While China's industrial slowdown and the cooling in global manufacturing activity may moderate the speed of upside, these factors are unlikely to derail the broader bullish structure. Consequently, silver is expected to remain firmly bid on declines, with upside potential shaped primarily by geopolitical developments, Federal Reserve policy signals, and any recovery momentum in Chinese economic activity.



SILVER

MCX SILVER		
MONTHS	OPEN INTEREST	VOLUME
AUGUST	2.01 k	262.63 k
SEPTEMBER	20.10 k	574.8 k
OCTOBER	19.81 k	836.7 k
November	2.44 k	353. 53 k

COMEX SILVER		
MONTHS	OPEN INTEREST	VOLUME
AUGUST	130.61 k	1.19 m
SEPTEMBER	132.23 k	1.61 m
OCTOBER	105.71 k	2.59 m
November	118.81 k	1.53 m



SILVER TECHNICALS

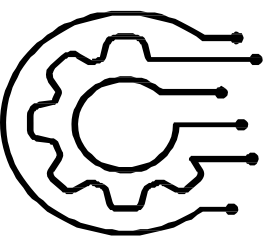


❖ Technical Overview

- ❑ Silver futures on the COMEX have delivered a decisive breakout from a prolonged consolidation phase on the weekly chart, confirming the start of a fresh impulsive uptrend. The formation of a bullish Belt Hold candle on the weekly timeframe reflects strong buying interest from the lower levels, with prices closing at an all-time high of \$56, firmly placing silver into price discovery mode. On the daily chart, the completion of a bullish Cup & Handle pattern further strengthens the continuation outlook. Although weekly volumes remain moderate, the structure suggests healthy accumulation rather than exhaustion.
- ❑ Momentum indicators firmly support the bullish trend. The RSI at 81 on the weekly chart indicates exceptionally strong buying momentum, and while technically overbought, such readings in strong trending markets typically signal trend strength rather than immediate reversal. The MACD has turned positive with a bullish crossover on the weekly timeframe, confirming medium- to long-term momentum alignment. Both short-term and long-term trends remain positive, with prices trading firmly within a rising bullish channel on both the weekly and monthly charts.

❖ Silver Buy Recommendation (MCX – Positional Call)

- ❑ Silver is recommended as a **BUY at CMP near ₹1,65,000 - 1,67,000**, with a **strong support zone placed between ₹1,62,000**, which acts as the primary downside protection for the trade. As long as prices sustain above this support region, the broader bullish trend remains firmly intact. On the upside, the immediate **target zone is placed between ₹1,87,000 and ₹1,93,000**, indicating strong upside potential over the coming weeks and months. The risk-reward structure remains favorable at current levels, supporting a buy-on-dips strategy within the prevailing uptrend.



DISCLAIMAR



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