

**DUAL TAILWINDS** Base metal prices rise on LME, customs duty hike adds to allure of gold, silver

# Precious All Metal Stocks Rally Across Board as Prices Rise

Our Bureau

**Mumbai:** Metal stocks were the top gainers in Tuesday's trading, tracking a sharp rally in global base metal prices on the London Metal Exchange (LME), as supply disruptions and resilient demand lifted sentiment.

The Nifty Metal index rose 3.2%, while the benchmark Nifty edged up 0.1%. Of the 15 index constituents, 14 advanced, led by steel and non-ferrous players. "The gains in base metal prices led the uptick in metal stocks," said Sunny Agrawal, head of fundamental research, SBI Securities.

Steel Authority of India rose over 14%, while Vedanta and Hindustan Copper gained 6.2% and 5.4%, respectively. Tata Steel, Hindustan Zinc and Hindalco climbed more than 3.5% each.

Copper surged towards record highs on LME, supported by supply disruptions at a major mine and rising demand linked to artificial intelligence infrastructure. Aluminium gained on Gulf supply concerns and falling inventories, while nickel advanced on improved stainless-steel demand.

## ANALYST VIEW

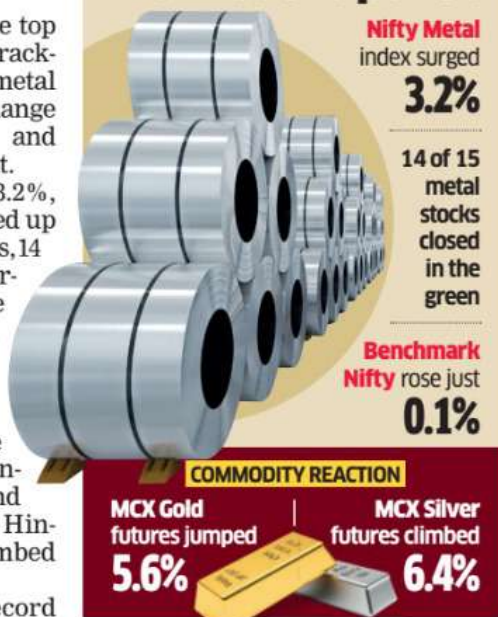
**The optimism in metal stocks is likely to continue as the demand for these metals is anticipated to remain strong**

"LME base metals extended gains as tightening supply conditions and resilient industrial demand outweighed pressure from a stronger dollar and ongoing US-Iran tensions," said Kotak Neo in a client note.

The outlook for metal stocks remains closely tied to underlying commodity prices.

"The optimism in metal stocks is likely to continue as the demand for these metals is anticipated to remain strong," said Jateen Trivedi, VP research analyst—commodity and currency, LKP Securities, adding that companies such as Hindustan Zinc, Hindustan Copper and

## Market Snapshot



**Vedanta** remain preferred picks.

Metals like copper, aluminium and zinc are benefiting from growth in renewable energy and electric vehicle ecosystems. However, analysts cautioned that volatility in global prices could drive near-term swings in stock performance.

Agrawal said the sustainability of the rally will depend on commodity prices. "If prices remain elevated, the momentum could continue, while any correction may lead to some decline," he said.

## GOLD LOAN FIRMS

Shares of gold financing companies also advanced after the government raised customs duty on gold and silver to 15% from 6%, a move aimed at curbing imports and easing pressure on foreign exchange reserves amid geopolitical tensions.

Gold futures on MCX jumped 5.6%, while silver rose 6.4%, lifting sentiment for companies reliant on gold-backed lending.

Among gold financiers, Manappuram Finance and Muthoot Finance gained 5.6% and 4.6%, respectively, while IIFL Finance rose 4%.

"In the short term, higher domestic gold prices increase the value of pledged jewellery, which can improve collateral coverage and support loan growth," said Trivedi.