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## Hindustan Zinc, Vedanta, Hindalco Jump Up To 5% As Metal Stocks Shine On Fed Cut Buzz, Silver Surge

*Metal stocks advanced sharply on December 10 as growing expectations of a US Federal Reserve rate cut boosted investor sentiment*

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### Article Content:

**Metal Stocks Surge:** Metal stocks advanced sharply on December 10 as growing expectations of a US Federal Reserve rate cut boosted investor sentiment. Markets are widely anticipating a policy easing after the Fed concludes its FOMC meeting later today.

A US rate cut typically lowers borrowing costs for global investors, making emerging markets like India more attractive. This often supports cyclical sectors, including metals.

The Nifty Metal index climbed to 10,198.35 by 11:15 AM, snapping a two-day losing streak and emerging as the top-performing sectoral index of the day.

## **Rate Cut Expectations Strengthen**

According to the CME FedWatch Tool, traders are now pricing in an 89% probability of a 25-basis-point rate cut. The expectations were reinforced by recent commentary from top Fed officials.

In November, Fed Governor Christopher Waller said the US job market had softened enough to justify another quarter-point cut. New York Fed President John Williams also signaled room for near-term easing, stating that policy remains “modestly restrictive.”

Data showing moderate consumer spending toward the end of Q3 further strengthened hopes of a rate cut. However, investors remain cautious, seeking clarity from what is expected to be the most divided Fed in years.

Meanwhile, expectations of rate cuts in 2026 are declining amid doubts over whether Kevin Hassett — seen as the frontrunner to replace Jerome Powell when his term ends in May — would deliver the dovish stance markets hope for.

## **Silver Prices Hit Record Highs**

**Silver prices surged to new lifetime highs on December 10.**

– March futures jumped 1.5% to Rs 1,90,799 per kg.

– May futures hit Rs 1,93,299 per kg for the first time.

Globally, spot silver crossed \$60 an ounce for the first time and hovered near \$61 — a stunning 32% jump in 24 hours.

Aksha Kamboj of IBJA noted that industrial demand, supply constraints and strong investment flows are driving silver’s dramatic outperformance over gold.

## **What Analysts Advise Investors**

Experts suggest focusing less on short-term swings and more on fundamentals such as balance sheets, utilisation rates and long-term demand cycles.

Naren Agarwal of Wealth1 said Indian metal companies are benefiting from strong global prices and supply shortages abroad.

Aman Gupta of RPS Group added that cyclical sectors may offer opportunities for selective investors.

Shravan Shetty of Primus Partners cautioned that while many niche metal stocks have outperformed, tariffs and rupee depreciation have influenced margins.

### **Top Gainers and Laggards**

Hindustan Zinc led the rally with a 5% jump, buoyed by the historic surge in silver. Vedanta, Jindal Stainless Steel and Hindalco gained nearly 2% each. Tata Steel, Jindal Steel & Power and Hindustan Copper rose around 1%.

Welspun Corp, APL Apollo Tubes, Adani Enterprises and NMDC also traded marginally higher.

On the downside, JSW Steel, SAIL and National Aluminium Company (NALCO) were in the red with slight losses.