

April 10, 2024

# Daily Currency & Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	April	Buy	153.50-154	162	149	Intraday

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## News and Developments

- Spot Gold prices extended its rally hitting fresh record high of \$2365 level yesterday. Prices gained more than 0.5% buoyed by weakness in dollar and retreat in US treasury yields. Moreover, prices stretched its record run fueled by buying momentum and safe haven demand following escalating tension in Middle East
- Dollar index ended little changed yesterday losing marginally by 0.01% ahead of recent policy meeting minutes and inflation data from US, which could shed some light on timing of first rate cut.
- U.S treasury yields slipped yesterday as investors await for CPI data from US to get fresh cues on future path of interest rates. Recently US Fed officials have called caution on rate cuts if inflation stalls out, so the inflation data will be of utmost important piece of puzzle for markets participants to assess whether Fed would be able to deliver the rate cuts of 75bps forecasted in its latest's meeting. Yield on benchmark US 10-year treasury note slipped to 4.366% and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower to 4.74%
- Crude oil prices ended on the negative note losing 1.4% yesterday amid weakness in global market sentiments and as talks for a ceasefire in Gaza continued. Additionally, as per EIA US crude oil output is expected to grow slightly more than earlier estimates for this year and next. US crude production will rise by around 280,000 bpd this year to 13.21 million bpd, and by 510,000 bpd to 13.72 million bpd in 2025
- Copper prices hovered near 14 month high yesterday gaining 0.1% buoyed by weakness in dollar and fund buying
- Natural gas prices extended its rally gaining almost 1% yesterday on cooler weather forecasts for the US, which could boost heating demand for natural gas

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71340	0.60%	2352.78	0.59%
Silver	82450	0.70%	28.15	1.08%
Copper	818.6	0.31%	9417.50	0.06%
Aluminium	223.3	-0.20%	2460.00	-0.02%
Zinc	238.8	1.34%	2709.50	1.71%
Lead	188.1	0.70%	2161.00	0.79%
WTI Crude Oil	7102	-1.07%	85.23	-1.39%
US Nat Gas	155.1	0.65%	1.87	1.52%

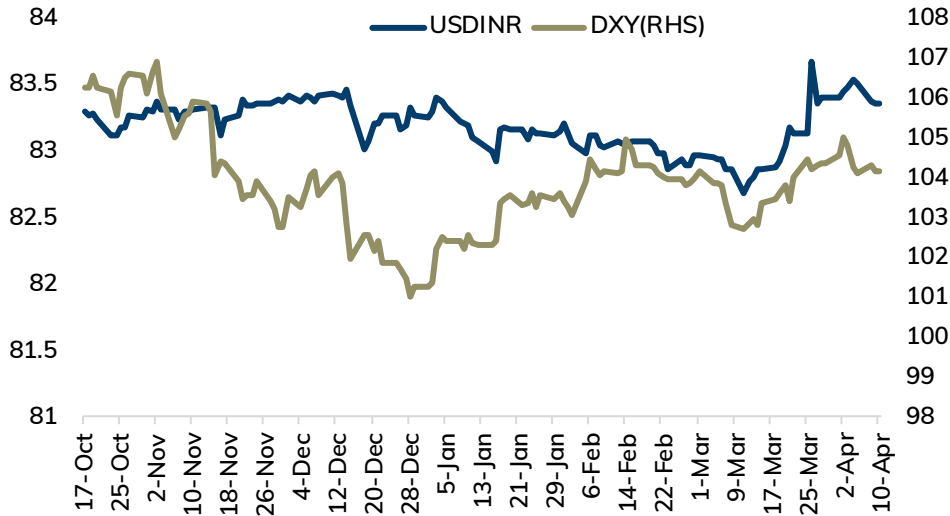
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.36	-0.01%	2349324	47315	459658	104077
EURINR (26th Apr)	90.30	-0.11%	41441	332	3312	-4945
GBPINR (26th Apr)	105.23	-0.05%	45517	-6462	21361	4796

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	April	Buy	151.50-152	160	147	Not Initiated

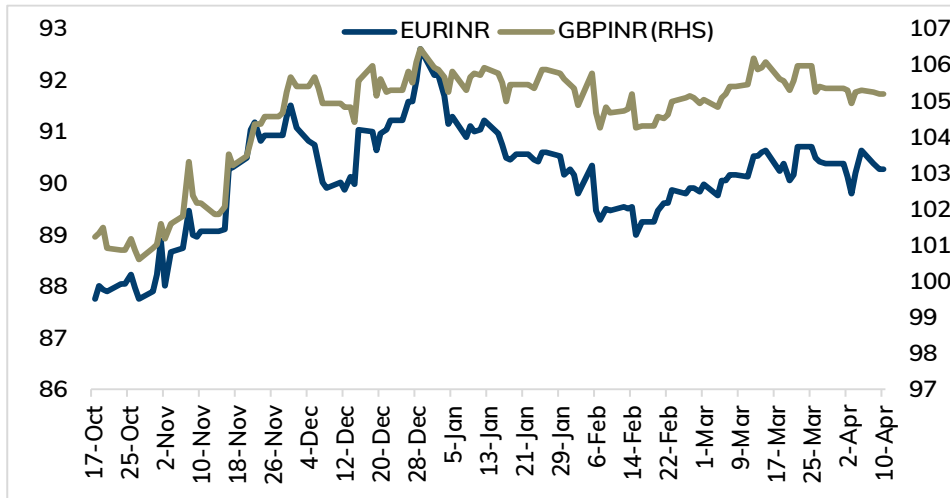
## Dollar Index vs. US\$INR



## Rupee Outlook

- Rupee ended on a negative note on Monday amid dollar demand from importers. Additionally, rupee closed weaker on firm dollar and rise in US treasury yields following strong non-farm payrolls data from US
- Rupee is likely to appreciate today amid expectation of further correction in dollar and US treasury yields. Yields are moving south as investors focus on FOMC meeting minutes and US CPI data for insights into US rate cut timeline. Additionally, rise in risk appetite in the domestic markets and softening of crude oil prices will aid rupee. USDINR April likely to face the resistance near 83.36 level (10-Day EMA) and slip towards immediate support of 83.24 level (20-day EMA), a sustain break below 83.24 level pair may slip further towards 83.12 level (89-Day EMA).

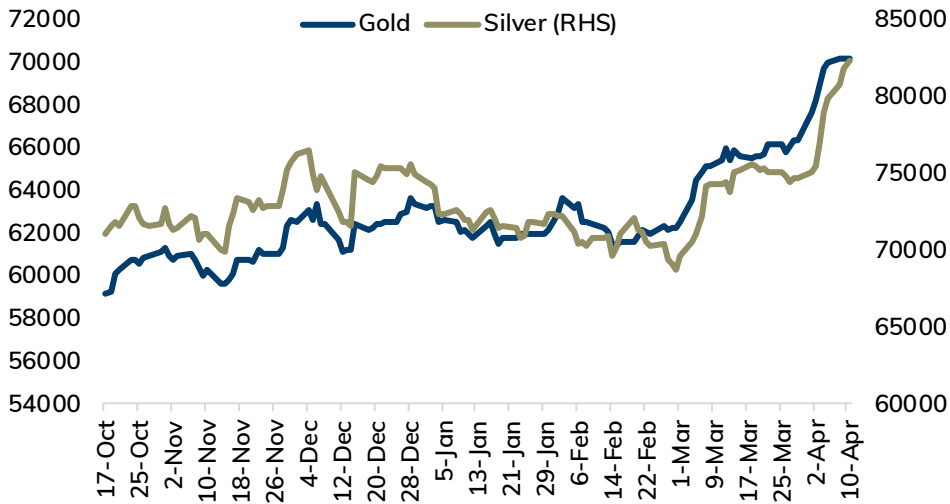
## EURINR vs. GBPINR



## Euro and Pound Outlook

- Euro slipped marginally by 0.02% yesterday amid pessimistic domestic market sentiments and ahead of ECB monetary policy. For today, EURUSD is likely to rise towards 1.0900 level as long as it stays above 1.0810 level (200-Day EMA) amid weakness in dollar. Further, investors will keep an close eye on ECB monetary policy where central bank is widely expected to hold rates steady at record high levels. Meanwhile, more focus will be on statements from ECB to get hint on monetary policy path, market expects first rate cut to be delivered in June. EURINR April may rise towards 90.70 level as long as it trades above 90.10 level (100-Day EMA)
- Pound is expected to rise further towards 1.2715 level, which is also 50% Fibonacci retracement level of 1.2894-1.2540 range amid weakness in dollar and optimistic global market sentiments. GBPINR April is likely to rise towards 105.65 level (200-Day EMA) as long as it holds the support near 104.90 (100-Day EMA). A sustain close above 105.65 level would open doors for 105.85 level

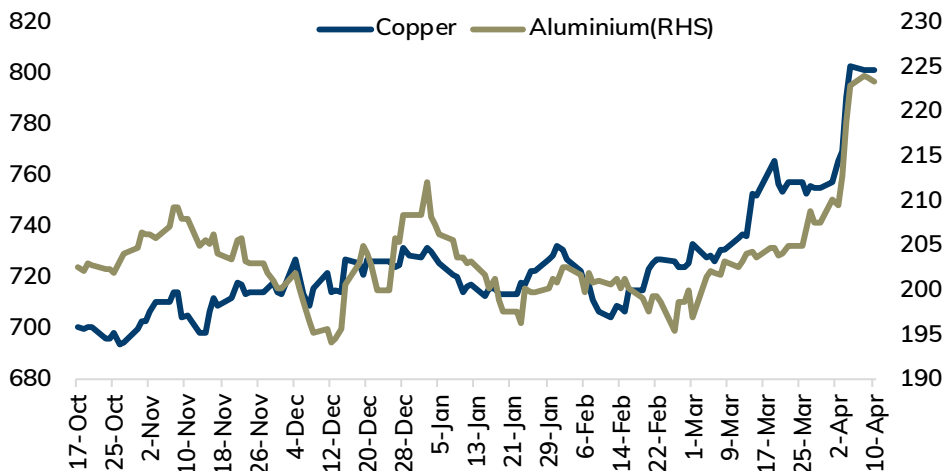
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to trade with the positive bias amid weakness in dollar and retreat in US treasury yields ahead of US CPI data and FOMC meeting minutes. US Core-CPI data is likely to show that inflation continued to ease slowly and gradually. If data comes in line with expectation and shows cooler inflation figures than we may see sharp upside in prices. Spot gold prices likely to rise back towards \$2365 levels as long as it stays above immediate support near \$2330 level. A sustain break above \$2365 level, prices may be pushed further towards \$2400. On flip side, close below \$2330 level it may correct towards its psychological support of \$2300 level which is also 10-Day EMA
- MCX Gold June prices is likely to rise further towards 71,700 level as long as it stays above 70,700 level. A break above 71,700 level prices may be pushed beyond 72,000 level. On the contrary, close below 70,700 level it may correct towards its psychological support of 70000 level.
- MCX Silver May is expected to rise towards 83,500 level as long as it sustains above 81,500 level.

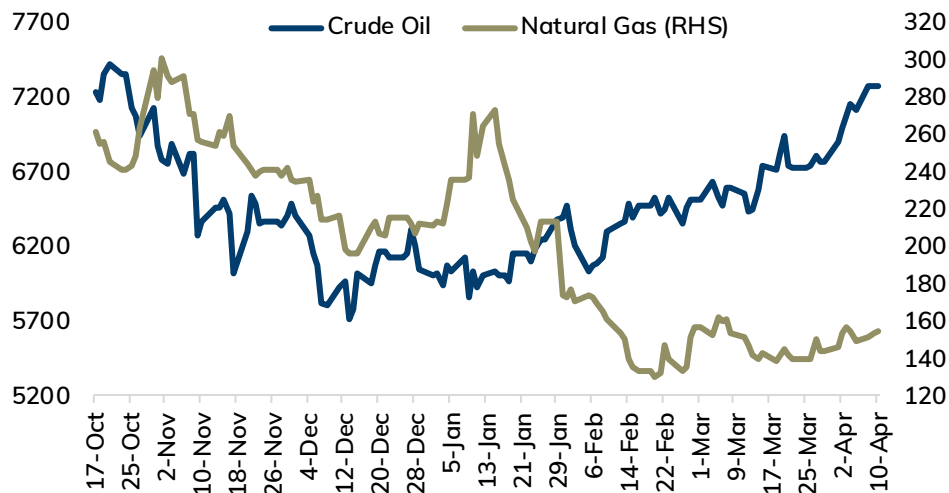
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices expected to trade with positive bias amid weak dollar, rise in risk appetite in the global markets and worries over tightening supply. Further, prices may rally on signs of improving macroeconomic conditions. Moreover, prices may move north on prospect of output cuts in China over shortages of mined copper raw material
- MCX Copper is expected to move further north towards 826 level as long as it stays above 814 level. A break above 826 would open doors for 830 levels. On the contrary, a sustain close below 814 levels prices may dip further towards 805 levels
- Aluminum is expected to face hurdle near 225.50 levels and slip back towards 221 level

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to rise back towards \$86.30 level as long as it trades above \$84.50 level amid worries about tighter supply due to uncertainty over Gaza ceasefire talks. Additionally, commander of the Revolutionary Guard's navy in Iran said it could close the Strait of Hormuz if deemed necessary and Turkey said it would restrict exports of various products to Israel until there is a ceasefire. However, sharp upside may be limited amid unexpected rise in US crude stockpiles. As per API US crude oil inventories rose by about 3.03 million barrels for the week ending 6<sup>th</sup> April. Further, EIA said US crude oil output is set to grow slightly more than earlier estimates this year and next.
- MCX Crude oil is likely to rise towards back towards 7250 levels as long as it trades above 7000 levels, while immediate support lies near 7050 (10-Day EMA).
- MCX Natural gas April is expected to rise further towards 165 level as long as its holds the support near 149 level (20-Day EMA)

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70605	70972	71356	71723	72107
Silver	81111	81781	82409	83079	83707
Copper	796.9	807.7	824.9	835.8	853.0
Aluminium	218.1	220.7	223.0	225.6	227.9
Zinc	231.0	234.9	237.9	241.8	244.8
Lead	184.3	186.2	188.1	190.0	192.0
Crude Oil	6991	7047	7141	7197	7291
Nat Gas	150	153	156	159	163

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	83.22	83.29	83.33	83.40	83.45
US\$INR (May)	83.24	83.33	83.39	83.48	83.54
EURINR (Apr)	90.09	90.20	90.31	90.41	90.52
EURINR (May)	90.47	90.49	90.52	90.54	90.57
GBPINR (Apr)	105.08	105.15	105.23	105.30	105.38
GBPINR (May)	105.11	105.22	105.36	105.47	105.61
JPYINR (Apr)	54.67	54.88	55.23	55.44	55.79
JPYINR (May)	55.47	55.54	55.66	55.73	55.85

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.12	104.25	-0.12%
US\$INR	83.45	83.44	0.01%
EURUSD	1.0837	1.0836	0.01%
EURINR	90.60	89.84	0.85%
GBPUSD	1.2642	1.2652	-0.08%
GBPINR	105.68	104.90	0.75%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.093	7.103	-0.01
US	4.309	4.347	-0.0378
Germany	2.361	2.395	-0.034
UK	4.021	4.056	-0.035
Japan	0.788	0.796	-0.008

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
03-04-2024	8:00 PM	3.2M	-0.3M
27-03-2024	8:00 PM	3.2M	-0.7M
20-03-2024	8:00 PM	-2.0M.	-0.9M
13-03-2024	8:00 PM	-1.5M	0.9M
06-03-2024	9:00 PM	1.4M	2.4M
28-02-2024	9:00 PM	4.2M	3.1M
22-02-2024	9:30 PM	3.5M	3.9M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	124225	9950	8.71%
Aluminium	529625	-3525	-0.66%
Zinc	259925	-200	-0.08%
Lead	271525	-1075	-0.39%
Nickel	75420	-1728	-2.24%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 08, 2024						
5:20 AM	Japan	Current Account	1.37T	1.99T	2.73T	Medium
11:30 AM	Europe	German Industrial Production m/m	2.10%	0.60%	1.00%	Medium
2:00 PM	Europe	Sentix Investor Confidence	-5.9	-8.3	-10.5	Medium
Tuesday, April 09, 2024						
4:31 AM	UK	BRC Retail Sales Monitor y/y	3.20%	1.80%	1%	Medium
3:30 PM	US	NFIB Small Business Index	88.5	90.2	89.4	Medium
Wednesday, April 10, 2024						
6:00 PM	US	CPI y/y	-	3.40%	3.20%	High
6:00 PM	US	Core CPI y/y	-	3.70%	3.80%	High
8:00 PM	US	Crude Oil Inventories	-	-	3.2M	Medium
11:30 PM	US	FOMC Meeting Minutes	-	-	-	High
Thursday, April 11, 2024						
7:00 AM	China	CPI y/y	-	0.40%	0.70%	High
7:00 AM	China	PPI y/y	-	-2.80%	-2.70%	High
5:45 PM	Europe	Main Refinancing Rate	-	4.50%	4.50%	High
6:00 PM	US	PPI m/m	-	0.30%	0.60%	High
6:00 PM	US	Core-PPI m/m	-	0.20%	0.30%	High
6:00 PM	US	Unemployment Claims	-	217K	221K	High
8:00 PM	US	Natural Gas Storage	-	-	-37B	Medium
Friday, April 12, 2024						
Tentative	China	Trade Balance	-	508B	891B	Medium
11:30 AM	UK	GDP m/m	-	0.10%	0.20%	High
5:30 PM	India	CPI y/y	-	4.90%	5.09%	High
7:30 PM	US	Prelim UoM Consumer Sentiment	-	79	79.4	High
7:30 PM	US	Prelim UoM Inflation Expectations	-	-	2.90%	Medium



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