

July 15, 2024

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	August	Buy	73000-73020	73550	72700	Intraday

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News and Developments

- Spot gold held its gains above the \$2400 on Friday amid softens in the dollar and decline in US treasury yields. Prices gained despite a rise in U.S. producer price index in June. But the slower pace of rise in the PPI strengthened the probability that the Federal Reserve would lower the rates in September.
- Spot silver took a pause and fell from its on-month high amid profit booking.
- Dollar index traded lower on Friday after the University of Michigan's US consumer sentiment index unexpectedly fell to an 8-month low. Further, moderation in the US inflation numbers also boosted the chances for a Fed rate cut at the September FOMC meeting.
- US 10-year treasury yields dropped to 4-month low at 4.1 after US prelim UoM inflation expectation dropped to 2.9%.
- NYMEX Crude oil prices pared all its gains and edged lower on Friday amid sharp decline in US consumer sentiments, which hit the lowest level since December 2023. Further, hopes of ceasefire agreement between Israel and Hamas has reduced supply concerns and weakened the oil prices to slide towards \$82. Moreover, slowdown in crude oil demand from China also checked its upside.
- Copper prices rebound from its weekly lows amid soft dollar and better than expected credit growth numbers in China last month. Meanwhile, rise in LME inventories and decline in imports from China checked the upside in the metal prices. Prolonged crisis in the housing industry has restricted its rebound.
- Natural Gas prices, rebounded from its 7-week lows, but higher inventory and production continued to limit its gains.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	73269	-0.06%	2411.43	-0.17%
Silver	93109	-1.15%	30.79	-2.15%
Copper	868.3	1.43%	9877.00	0.92%
Aluminium	229.1	0.26%	2481.00	0.18%
Zinc	273.3	0.11%	2943.00	-0.54%
Lead	190.1	0.40%	2210.00	0.55%
WTI Crude Oil	6890	-0.04%	82.21	-0.50%
US Nat Gas	196.0	2.94%	2.33	2.69%

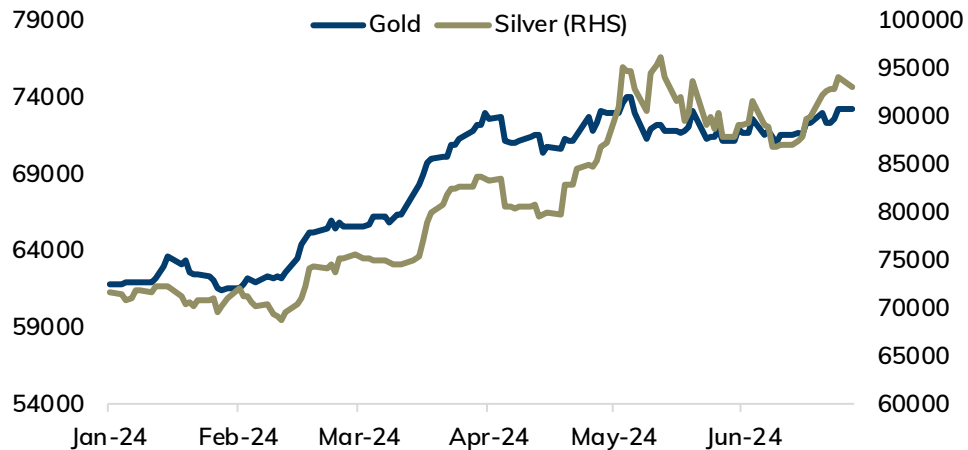
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th July)	83.55	-0.07%	2477273	-3773	101891	-37374
EURINR (29th July)	90.98	0.39%	23419	1484	3152	1315
GBPINR (29th July)	108.10	0.61%	38692	8426	13506	9603

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude oil	July	Buy	6820-6830	6980	6745	Not Initiated

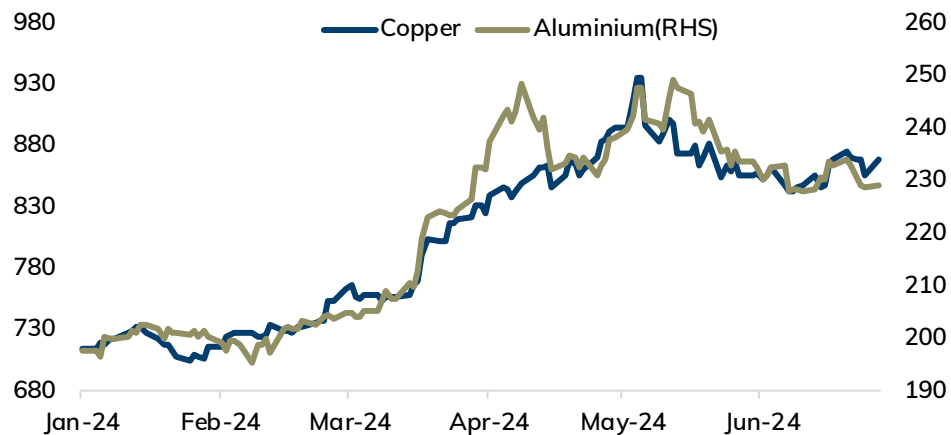
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold the support at \$2390 and move towards the \$2425 mark amid increasing probability of early rate cut by the Federal Reserve in September. Moderation in the inflation numbers and crack in the labor market would force the Fed to take primitive steps to prevent a further economic downturn. Meanwhile, profit booking ahead of the Fed chair's speech can't be ruled out. Next key hurdle exists near \$2425 and \$2450, maximum OI concentration exits at \$2450.
- MCX Gold Aug is expected to hold the key support at 72,800 and move towards 73,700. Above 73700 it would open the doors towards 74,000.
- MCX Silver September is expected to hold the support near 92,000 and regain its strength towards 94,500. Only close below 92,000 it would turn weaker towards 90,800.

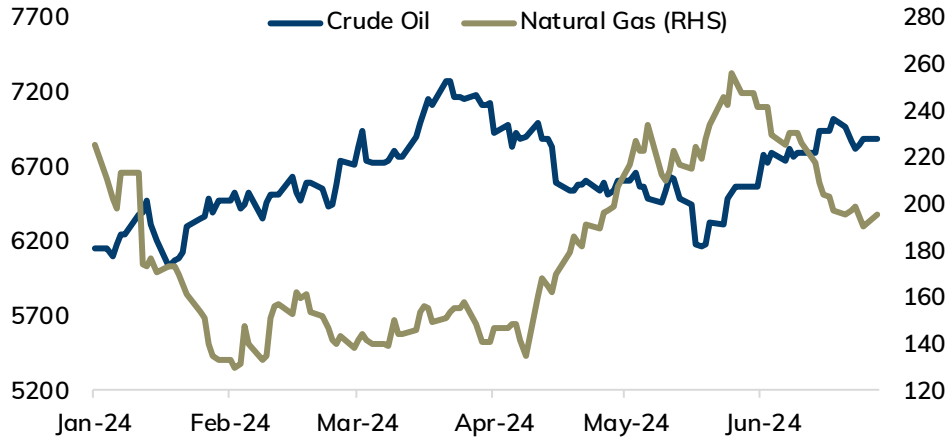
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are likely to remain under pressure amid growth concerns in China. Weaker than expected economic numbers from China would hurt the demand outlook of the metal. Chinese GDP rose by 4.7% YoY in second quarter missing expectations of 5.1% growth. Further, persistence rise in inventory levels at LME would also weigh on the metal prices. Again fading hopes of fresh round of stimulus from China to support the economy would hurt the demand outlook.
- MCX Copper July is expected to face the hurdle near 875 and trade lower towards 858. Only above 875, it would confirm the reversal in trend and rise towards 880.
- Aluminum is expected to face the hurdle near 231 and move lower towards 227.50.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade lower amid signs of progress in ceasefire talks between Israel and Hamas. Further, weakness in crude oil demand from China would also limit its upside. Additionally, dollar rose amid worries over political uncertainty in the US following an attack on US presidential candidate Donald Trump. For the day we expect prices to face the hurdle near \$83.50 mark and weaken further towards the \$81.00. Moreover, higher OI concentration near OTM calls at 85 and 84 strike call would act as good supply zone.
- MCX Crude oil July is likely to dip towards the 20 day EMA support at 6820. A move below 6820 would weaken further towards 6740. On the upside 7000 would act as key resistance.
- MCX Natural gas July is likely face the hurdle near 200 and move lower towards 188.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	72787	73028	73160	73401	73533
Silver	91132	92120	93066	94054	95000
Copper	843.3	855.8	862.6	875.1	882.0
Aluminium	226.6	227.8	228.8	230.0	231.0
Zinc	269.1	271.2	272.4	274.5	275.7
Lead	188.3	189.2	189.8	190.7	191.2
Crude Oil	6811	6851	6919	6959	7027
Nat Gas	185	191	194	199	202

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (July)	83.48	83.52	83.55	83.59	83.62
US\$INR (Aug)	83.57	83.60	83.64	83.68	83.72
EURINR (July)	90.57	90.78	90.89	91.10	91.21
EURINR (Aug)	90.66	90.84	90.92	91.10	91.18
GBPINR (July)	107.47	107.79	107.96	108.28	108.45
GBPINR (Aug)	107.35	107.71	107.90	108.26	108.45
JPYINR (July)	51.61	52.01	52.25	52.65	52.89
JPYINR (Aug)	52.51	52.76	52.51	52.76	52.51

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.09	104.44	-0.33%
US\$INR	83.54	83.57	-0.04%
EURUSD	1.0907	1.0868	0.36%
EURINR	90.93	90.64	0.32%
GBPUSD	1.2988	1.2915	0.57%
GBPINR	108.17	107.61	0.53%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.987	6.983	0.00
US	4.183	4.210	-0.01
Germany	2.496	2.463	0.01
UK	4.109	4.074	0.01
Japan	1.065	1.090	-0.02

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
7/10/2024	8:00 PM	-3.4M	0.7M
7/3/2024	8:00 PM	-12.2M	-0.4M
6/26/2024	8:00 PM	3.6M	-2.6M
6/20/2024	8:30 PM	-2.5M	-2.8M
6/12/2024	8:00 PM	3.7M	-1.2M
6/5/2024	8:00 PM	1.2M	-2.1M
5/30/2024	8:30 PM	-4.2M	-1.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	206225	-550	-0.27%
Aluminium	976725	-5275	-0.54%
Zinc	251125	-2175	-0.86%
Lead	211475	-1725	-0.81%
Nickel	98526	144	0.15%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, July 15, 2024						
7:30 AM	China	GDP q/y	4.70%	5.10%	5.30%	High
7:30 AM	China	Industrial Production y/y	5.30%	4.90%	5.60%	High
2:30 PM	Europe	Industrial Production m/m	-	-0.90%	-0.10%	Medium
6:00 PM	US	Empire State Manufacturing Index	-	-5.5	-6	Medium
9:30 PM	US	Fed Chair Powell Speaks	-	-	-	High
Tuesday, July 16, 2024						
2:30 PM	Europe	German ZEW Economic Sentiment	-	41.2	47.5	Medium
6:00 PM	US	Retail Sales m/m	-	-0.20%	0.10%	High
Wednesday, July 17, 2024						
11:30 AM	UK	CPI y/y	-	1.90%	2%	High
6:00 PM	US	Building Permits	-	1.40M	1.40M	Medium
6:45 PM	US	Industrial Production m/m	-	0.40%	0.90%	Medium
8:00 PM	US	Crude Oil Inventories	-	-	-3.4M	Medium
Thursday, July 18, 2024						
11:30 AM	UK	Claimant Count Change	-	23.4K	50.4K	High
5:45 PM	Europe	Main Refinancing Rate	-	4.25%	4.25%	High
6:00 PM	US	Unemployment Claims	-	229K	222K	High
6:00 PM	US	Philly Fed Manufacturing Index	-	2.7	1.3	Medium
8:00 PM	US	Natural Gas Storage	-	-	65B	Medium
Friday, July 19, 2024						
11:30 AM	UK	Retail Sales m/m	-	-0.60%	2.90%	High



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