

April 30, 2024

Daily Currency & Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	May	Buy	166-167	174	162	Intraday

Research Analysts

Jay Thakkar
jay.thakkar@icicisecurities.com

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Anup Sahu
anup.sahu@icicisecurities.com

News and Developments

- Spot gold erased its earlier losses and ended the day on a positive note amid weakness in the dollar and correction in the global treasury yields. Precious metals initially moved lower as most investors liquidated their holdings ahead of this week's FOMC meeting.
- US Dollar index moved lower ahead of this week's Federal Reserve meeting. The rebound in the Japanese Yen from its 34-year lows amid speculation of intervention by the authorities also weighed on the dollar to trim its last week's gains. But losses in the dollar were limited on expectation that the FOMC will signal that it will delay its rate cuts.
- 10 year US treasury yields moved lower and hit 4.616% and the 2 year US treasury yields slide towards 4.97% mark ahead of the key FOMC meeting.
- Crude oil prices pared its earlier gains and lost almost 1% towards the end of the session amid easing Middle East tension. Increasing prospects of a cease-fire in the Hamas-Israel war has checked the upside in the oil prices.
- Copper prices made fresh highs on Monday driven by supply concerns. Further, softness in the dollar and improved risk sentiments also supported the base metals to trade higher. Meanwhile, expectations of lower surplus for the year 2024 by the ICSG (International Copper Study Group) to 162,000 tonnes against its previous forecast of 467,000 tonnes last October also strengthened the bullish bets.
- Natural gas futures gained more than 4% on Monday, amid forecast of higher demand after the flows from the Freeport LNG's export plant in Texas increased. Further, increase in demand from the electricity providers also supported its gains.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71602	0.14%	2335.66	-0.10%
Silver	80852	0.21%	27.14	-0.23%
Copper	862.3	0.76%	10135.50	1.71%
Aluminium	239.6	-1.03%	2590.00	0.80%
Zinc	260.0	3.18%	2943.50	3.50%
Lead	191.3	0.31%	2230.50	1.04%
WTI Crude Oil	6899	-1.43%	82.63	-1.45%
US Nat Gas	197.3	3.30%	2.03	25.77%

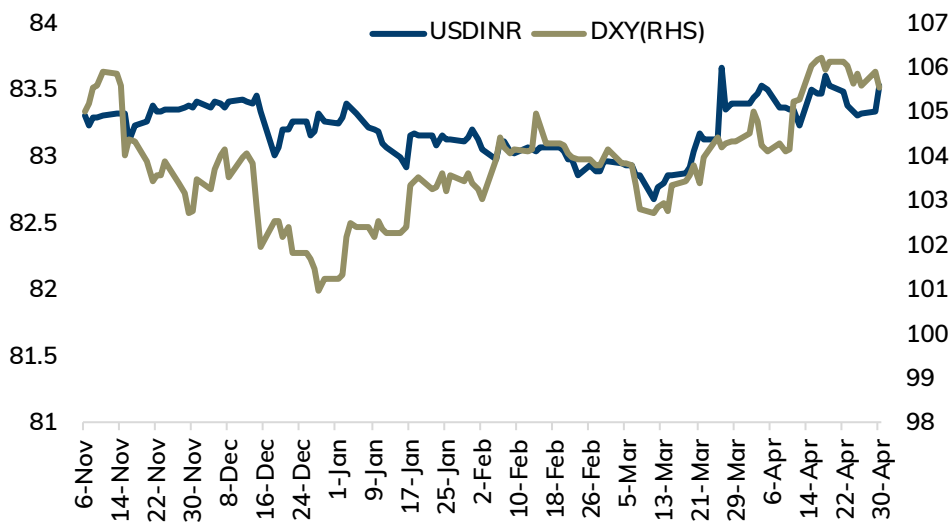
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.54	0.24%	2410341	661047	704205	85197
EURINR (26th Apr)	89.40	-0.03%	19919	4783	1736	-11011
GBPINR (26th Apr)	104.47	0.21%	12591	-1951	2724	-6663

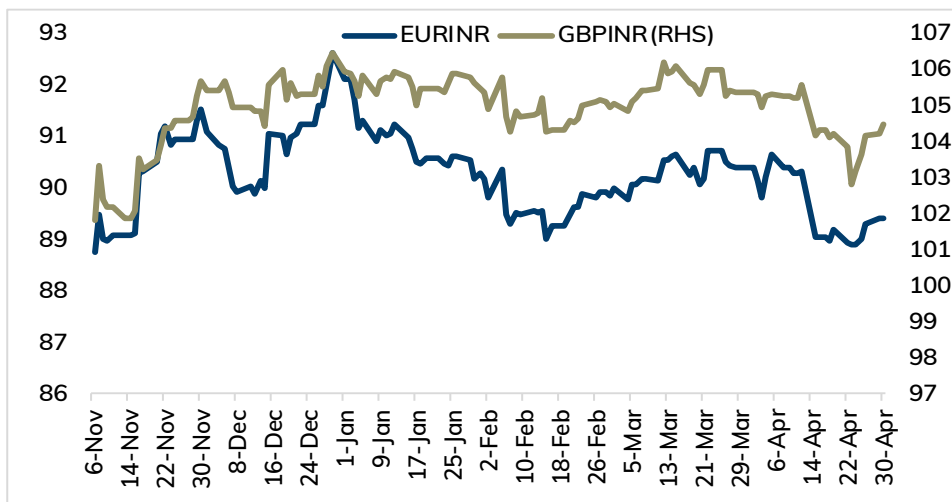
Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	June	Sell	71150-71180	70650	71500	Stop Loss Triggered

Dollar Index vs. US\$INR



EURINR vs. GBPINR



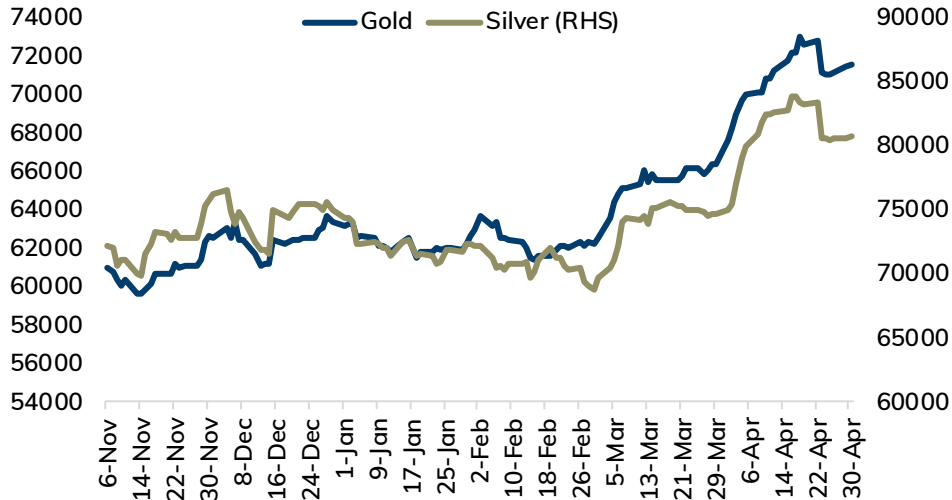
Rupee Outlook

- Rupee depreciated yesterday amid month end dollar demand from importers and weakness in other major Asian currencies. Meanwhile, rise in risk appetite in the domestic markets and softening of crude oil prices prevented further fall in rupee
- Rupee is likely to depreciate today amid firm dollar ahead of US FOMC meeting. US Federal Reserve is likely to strike a hawkish tone and keep interest rates unchanged. More focus will be on comments from central bank to get fresh cues on interest rate trajectory. Investors have already pair back bets of Fed rate cut this year due to upbeat economic data and stubborn inflation figures. USDINR May likely to find support near 83.40 level (10-Day EMA) and rise towards 83.65 levels. A sustain break above 83.65 level pair may further rise towards 83.75 levels.

Euro and Pound Outlook

- Euro rose by 0.28% yesterday amid weak dollar and as inflation in Germany rose more than expected in April. Moreover, hawkish comments from ECB Governing Council members Knot and Wunsch boosted the euro. For today, EURUSD is likely to face the resistance near 1.0740 level and slip towards 1.0670 level amid firm dollar and divergence in monetary policy between US Fed and ECB. Moreover, investors will remain vigilant ahead of slew of economic data from euro zone to gauge economic health of the region. EURINR May is likely to slip towards 89.20 levels as long as it trades below 89.70 levels (200-Day EMA).
- Pound is expected to face resistance near 1.2580 level and slip back towards 1.2500 level (20-Day EMA) amid strong dollar. Further, market expects BoE to start cutting rates in August, while the Fed is expected to wait until later in the year. GBPINR May is likely to move south towards 104.20 level as long as it stays below 105.00

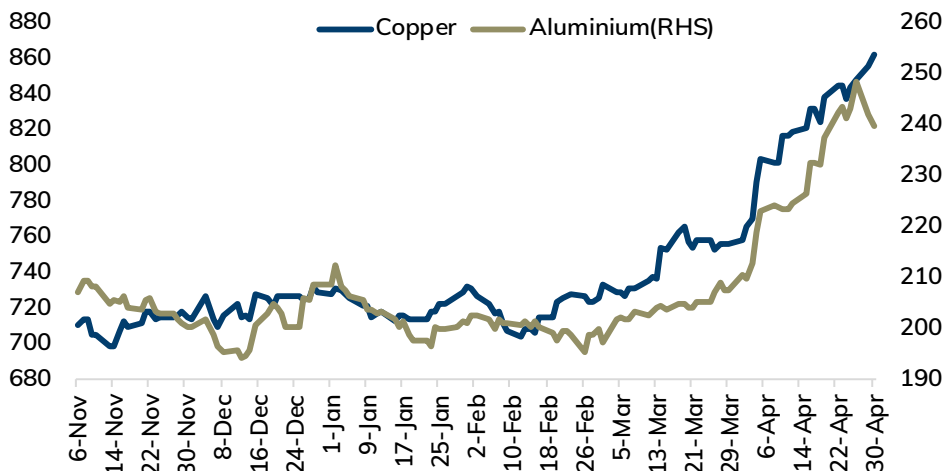
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to move in a range ahead of the FOMC meeting. On the upside \$2350 would act as major hurdle and \$2300 would be the key support in the near term. Forecast of improved economic numbers from US and diminishing safe haven bets would limit the upside in the bullions. Further, growing probability of higher for longer interest rates by the Federal reserve would also weigh on the precious metals.
- MCX Gold June is expected to face the hurdle near 71900 and move lower towards 71000. Only close below 71000, it would turn weaker and slide further towards 70600.
- MCX Silver July is expected to face the resistance at 83200 and slip towards 81500. Only a move below 81500, it would open the doors towards 80400.

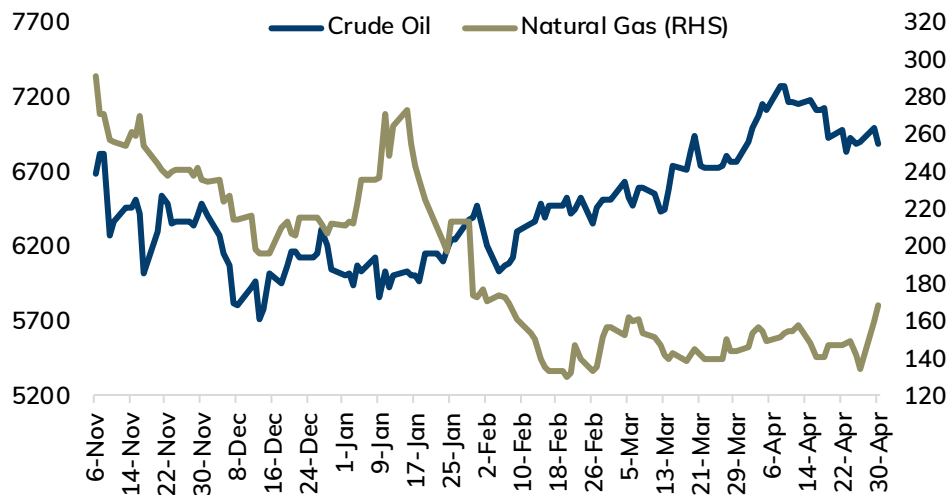
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are likely to extend its rally amid forecast of a potential shortfall in the coming year and depleting inventories. Further, improved risk sentiments and optimism from the Chinese property sector would boost the prices to stay elevated. Moreover, growth in the manufacturing sector in China would support the demand outlook of the metal. Meanwhile, growing prospects of higher interest rates for longer period by the Fed could restrict its upside.
- For the day MCX Copper May is likely to hold the support near 866 and move higher towards 878. A sustained move above 878 would open the doors towards 884.
- Aluminum May future is expected to hold the support near 234 and move higher towards 240. Only close below 234 it would weaken towards 230 mark.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade lower amid growing prospects of ceasefire between Israel and Hamas. Ceasefire talks in Cairo tempered the fears of wider Middle East conflict and lowered the risk premiums in the oil prices. Furthermore, increasing bets of higher for longer interest rates by the Fed would also check any major upside in the oil prices. Meanwhile, improved economic number from China and higher risk appetite could support the NYMEX crude to hold above the \$81 mark. China's official manufacturing PMI data showed activity in sector expanded for 2nd consecutive month
- MCX Crude oil May future is likely to face the hurdle near 7050 and dip towards 6800. Only a move above 7050 it would turn bullish.
- MCX Natural Gas May future is expected to rise towards 174, as long as it holds above the 162 mark. Forecast of improved demand from the electricity providers due warmer temperature could boost its demand.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70931	71267	71482	71818	72033
Silver	79837	80345	80657	81165	81477
Copper	852.7	857.5	861.9	866.7	871.2
Aluminium	237.7	238.6	239.8	240.7	241.9
Zinc	248.9	254.4	258.1	263.7	267.4
Lead	190.3	190.8	191.3	191.8	192.3
Crude Oil	6812	6856	6930	6974	7048
Nat Gas	185	191	195	201	206

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.37	83.45	83.52	83.61	83.67
US\$INR (Jun)	83.46	83.54	83.60	83.68	83.74
EURINR (May)	89.20	89.30	89.42	89.52	89.64
EURINR (Jun)	89.45	89.58	89.73	89.85	90.00
GBPINR (May)	104.29	104.38	104.45	104.54	104.61
GBPINR (Jun)	104.44	104.48	104.54	104.58	104.64
JPYINR (May)	51.83	52.82	53.42	54.40	55.00
JPYINR (Jun)	52.28	53.30	54.03	55.05	55.78

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.58	105.94	-0.34%
US\$INR	83.48	83.35	0.15%
EURUSD	1.0721	1.0693	0.26%
EURINR	89.44	89.49	-0.05%
GBPUSD	1.2563	1.2493	0.56%
GBPINR	104.60	104.32	0.27%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.197	7.187	0.01
US	4.614	4.663	-0.0494
Germany	2.532	2.575	-0.043
UK	4.292	4.324	-0.032
Japan	0.891	0.891	0

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
25-04-2024	8:00 PM	-6.4M	1.6M
17-04-2024	8:00 PM	2.7M	1.6M
10-04-2024	8:00 PM	5.8M	0.9M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	117500	-1050	-0.89%
Aluminium	492750	-1400	-0.28%
Zinc	255400	950	0.37%
Lead	270375	725	0.27%
Nickel	78594	810	1.04%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 29, 2024						
All Day	Europe	German Prelim CPI m/m	0.50%	0.60%	0.40%	High
12:30 PM	Europe	Spanish Flash CPI y/y	3.30%	3.40%	3.20%	Medium
Tuesday, April 30, 2024						
7:00 AM	China	Manufacturing PMI	50.4	50.3	50.8	High
7:00 AM	China	Non-Manufacturing PMI	51.2	52.2	53	Medium
7:15 AM	China	Caixin Manufacturing PMI	51.4	51	51.1	High
11:30 AM	Europe	German Retail Sales m/m	-	-	-1.90%	Medium
1:30 PM	Europe	German Prelim GDP q/q	-	0.10%	-0.30%	Medium
2:30 PM	Europe	CPI Flash Estimate y/y	-	2.40%	2.40%	Medium
2:30 PM	Europe	Prelim Flash GDP q/q	-	0.10%	0.00%	Medium
6:00 PM	US	Employment Cost Index q/q	-	1.0%	0.90%	High
6:30 PM	US	S&P/CS Composite-20 HPI y/y	-	6.7%	6.60%	Medium
7:30 PM	US	CB Consumer Confidence	-	104	104.7	High
Wednesday, May 1, 2024						
5:45 PM	US	ADP Non-Farm Employment Change	-	179K	184K	High
7:30 PM	US	ISM Manufacturing PMI	-	50.1	50.3	High
7:30 PM	US	JOLTS Job Openings	-	8.68M	8.76M	High
8:00 PM	US	Crude Oil Inventories	-	-	-6.4M	Medium
11:30 PM	US	Federal Funds Rate	-	5.50%	5.50%	High
Thursday, May 2, 2024						
6:00 PM	US	Unemployment Claims	-	212K	207K	High
6:00 PM	US	Trade Balance	-	-69.3B	-68.9B	Medium
8:00 PM	US	Natural Gas Storage	-	-	92B	Medium
Friday, May 3, 2024						
6:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.30%	High
6:00 PM	US	Non-Farm Employment Change	-	243K	303K	High
6:00 PM	US	Unemployment Rate	-	3.80%	3.80%	High
7:30 PM	US	ISM Services PMI	-	52	51.4	High



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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