

June 28, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude	July	Buy	6780-6790	6950	6700	Intraday

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News and Developments

- Gold prices rebounded from its two-week low as the dollar softened amid mixed economic numbers from US. GDP numbers indicated moderation in the economic activity during the 1st quarter of 2024. Further, gradual rise in weekly unemployment rate also supported the bullions to regain their strength as it increased the bets of interest rate cut in the 2nd half of the year.
- Spot silver prices also gained more than 0.50% yesterday amid retreat in the dollar and fall in the US treasury yields.
- Dollar index retreated from its 7-weeks high after weekly continuing unemployment claims rose to two and half year high, indicating weakness in the labor market. Also weaker than expected US capital goods order and pending home sales numbers weighed on the dollar to slide below the 106 mark. US 1st quarter GDP increased at an annual rate of 1.4%.
- US 10-year treasury yields slide to 4.28 and the 2-year treasury yields dipped to 4.71.
- NYMEX Crude oil prices regained its strength and rallied towards the \$82 mark amid tighter supplies. Escalating geopolitical tension in the Middle east has raised supply concerns. Further soft dollar also supported the oil prices to edge higher.
- Copper prices failed to capitalize its gains and lost more than 0.50% on Thursday amid lackluster demand from China and rising inventory levels in LME. China's industrial profit growth slowed sharply last month, indicating weak physical demand.
- Natural Gas prices remained steady after the weekly storage data indicated an addition of 52 bcf of natural gas into the inventory, slightly below the expected 53 bcf build.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71572	0.68%	2327.73	1.28%
Silver	87048	0.10%	28.97	0.69%
Copper	834.3	-0.78%	9515.50	-0.26%
Aluminium	228.0	-0.81%	2492.50	-0.78%
Zinc	264.9	-0.13%	2929.50	-0.39%
Lead	188.2	-0.40%	2180.50	-0.66%
WTI Crude Oil	6804	-0.01%	81.74	1.04%
US Nat Gas	226.7	-2.07%	2.69	2.17%

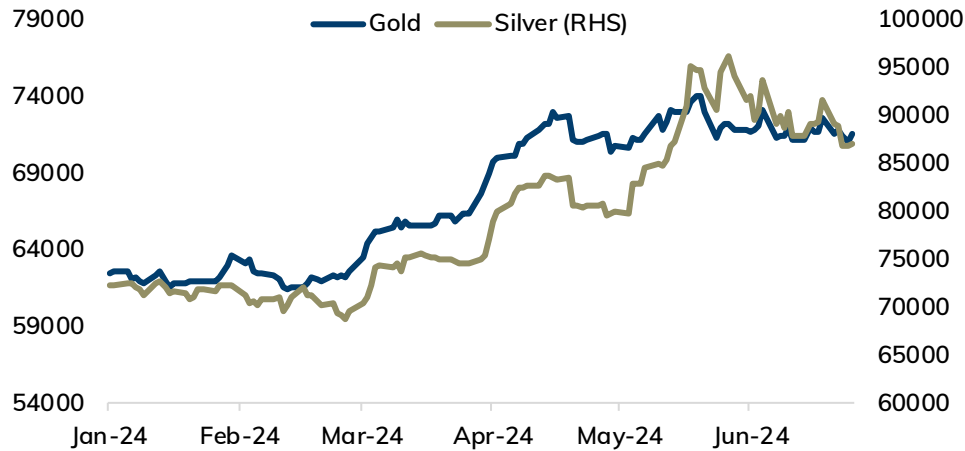
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th July)	83.54	-0.01%	2440569	431529	122841	6037
EURINR (29th July)	89.44	0.03%	11375	6492	2949	-3664
GBPINR (29th July)	105.59	-0.35%	6465	2220	3190	-169

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	July	Sell	845-846	835	852	Not initiated

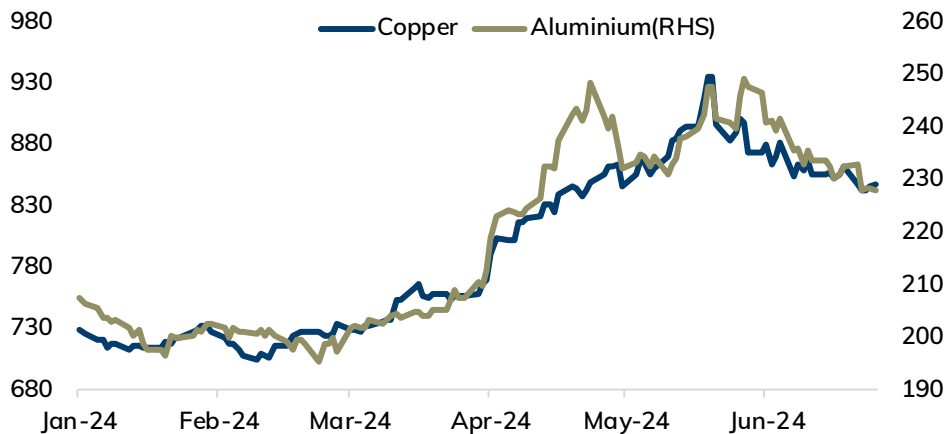
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to find the floor near \$2290 and rise towards \$2345 amid softness in the dollar. Moderation in US core PCE numbers would increase the probability of early rate cut by the Fed. The US core PCE is expected to drop to 2.6% from 2.8% a month earlier. Further, rising jobless claims number and sluggish growth in the 1st quarter would increase the chance of two rate cuts in this year. Additionally, higher put base near the 2300 strike would act as strong support.
- MCX Gold Aug is expected to hold the key support near 70,800 and move back towards 72,000. Formation of bullish engulfing pattern on the daily charts would help the metal to regain its strength. Only close below 70,800, it would weaken towards 70,200.
- MCX Silver September is expected to hold the 50 day EMA support near 88,500 and rise towards 90,500. Only close below the recent bottom of 88,200 it would turn weaker.

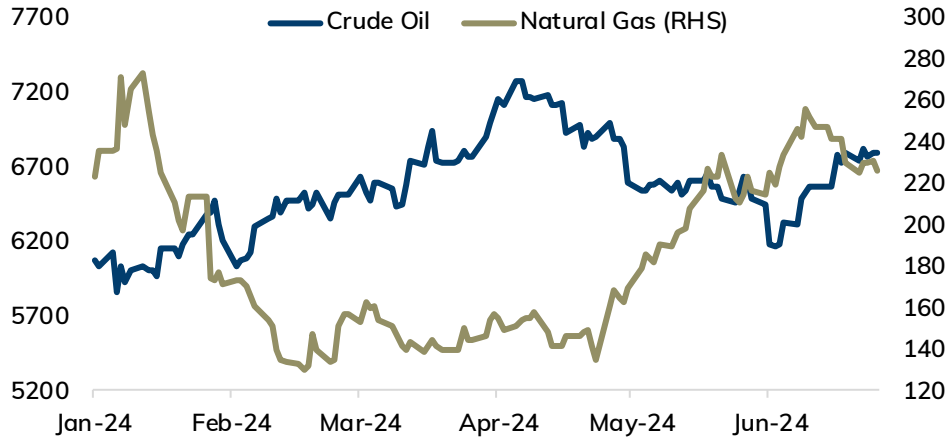
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to remain under pressure amid demand concerns and surge in inventory levels in major exchanges. Sluggish growth in the housing sector despite recent measures from the Chinese official would weigh on the metals. Low local premiums in China contradicts the copper market tightness. However, any sign of stimulus from China would limit the downside in the metal. Meanwhile, focus will remain on US core PCE data, which could give further clarity on interest rate path from Fed.
- MCX Copper July is expected to dip towards the 100 day EMA support at 828, as long as it trades under 845. Only close below 828 it would open the doors towards 820 mark.
- Aluminum is expected to trade weak and move towards 226, as long as it remains under 231 mark.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold the support near the \$80.50 mark and move towards the \$83.50 mark amid supply concerns. Escalating Mideast tension and decline in oil exports from Russian due to recent attacks on the oil refinery would support the oil to hold firms. On the other hand, growing probability of two rate cuts in this year would also support the oil prices to trade above the key support at \$80.50. Moreover, fresh addition of OI at OTM and ATM put strikes indicates price to hold strong support and rise towards \$83.
- MCX Crude oil July is likely to hold the 10 day EMA support near 6720, and move higher towards 6900. Above 6900, it would rise towards 7000. Bullish cross over of 10 and 20 day EMA along with strength in the oscillator (RSI at 61) would support the oil prices to extend its rally.
- MCX Natural gas July is likely to dip towards the immediate support near 220, as long as it trades under the 10 day EMA at 232. Only close below 220, it would weaken further towards 214.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70554	71063	71379	71888	72204
Silver	85824	86436	87063	87675	88302
Copper	826.4	830.3	836.1	840.0	845.8
Aluminium	225.7	226.8	228.8	229.9	231.8
Zinc	261.6	263.3	264.9	266.6	268.2
Lead	186.9	187.5	188.5	189.1	190.0
Crude Oil	6685	6745	6795	6855	6905
Nat Gas	220	224	228	231	236

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (July)	83.44	83.49	83.56	83.61	83.68
US\$INR (Aug)	83.56	83.60	83.65	83.69	83.74
EURINR (July)	89.23	89.33	89.51	89.61	89.78
EURINR (Aug)	89.52	89.62	89.85	89.94	90.17
GBPINR (July)	105.38	105.49	105.61	105.71	105.83
GBPINR (Aug)	105.55	105.61	105.75	105.81	105.94
JPYINR (July)	52.20	52.34	52.54	52.69	52.89
JPYINR (Aug)	52.73	52.75	52.76	52.78	52.79

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.91	106.05	-0.14%
US\$INR	83.46	83.58	-0.14%
EURUSD	1.0704	1.0681	0.22%
EURINR	89.28	89.35	-0.08%
GBPUSD	1.2639	1.2622	0.13%
GBPINR	105.56	105.88	-0.30%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.999	6.999	0.00
US	4.286	4.329	-0.01
Germany	2.448	2.452	0.00
UK	4.130	4.132	0.00
Japan	1.076	1.030	0.04

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
5/22/2024	8:00 PM	1.8M	-2.4M
5/15/2024	8:00 PM	-2.5M	-0.4M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	177750	2275	1.30%
Aluminium	1032875	-5850	-0.56%
Zinc	239600	-250	-0.10%
Lead	223500	0	0.00%
Nickel	93864	600	0.64%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 24, 2024						
1:30 PM	Europe	German ifo Business Climate	88.6	89.4	89.3	Medium
3:30 PM	UK	CBI Industrial Order Expectations	-18	-26	-33	Medium
Tuesday, June 25, 2024						
6:30 PM	US	S&P/CS Composite-20 HPI y/y	7.20%	7%	7.40%	Medium
7:30 PM	US	CB Consumer Confidence	100.4	100.2	102	High
7:30 PM	US	Richmond Manufacturing Index	-10	2	0	Medium
Wednesday, June 26, 2024						
11:30 AM	Europe	German GfK Consumer Climate	-21.8	-19.9	-20.9	Medium
7:30 PM	US	New Home Sales	619K	650K	634K	Medium
8:00 PM	US	Crude Oil Inventories	3.6M	(-2.6)M	(-2.5)M	Medium
Thursday, June 27, 2024						
6:00 PM	US	Final GDP q/q	1.40%	1.40%	1.30%	High
6:00 PM	US	Unemployment Claims	233k	236k	238k	High
6:00 PM	US	Durable Goods Orders m/m	0.10%	-0.10%	0.60%	High
6:00 PM	US	Goods Trade Balance	-100.6B	-96B	-99.4B	Medium
7:30 PM	US	Pending Home Sales m/m	-2.10%	0.60%	-7.70%	Medium
8:00 PM	US	Natural Gas Storage	52B	53B	71B	Medium
Friday, June 28, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	-	2%	1.90%	Medium
11:30 AM	UK	Current Account	-	-17.7B	-21.2B	Medium
6:00 PM	US	Core PCE Price Index m/m	-	0.10%	0.20%	High
7:15 PM	US	Chicago PMI	-	40	35.4	Medium
7:30 PM	US	Revised UoM Consumer Sentiment	-	65.9	65.6	High



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