

August 30, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	September	Buy	6330-6340	6480	6240	Intraday

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News and Developments

- Gold prices traded higher despite of rise in dollar and US treasury yields. Better than expected 2nd quarter economic growth data from US supported the dollar to trade higher. Meanwhile, safe haven demand for the precious metals remains strong due to the Middle East tension.
- Dollar index traded higher after US economic numbers indicated economy grew little faster than expected. In the second quarter, US economy advanced at a rate of 3% from an initial reading of 2.8% despite higher interest rates.
- US 10-year treasury yields also rose, as investors assessed the likelihood that the economy will be able to avoid a recession. Further, fall in US weekly jobless claims data by 2000 to 231,000 also pushed the yields higher. 2-year yields edged higher to 3.89%.
- NYMEX crude oil prices regained its strength and rose by more than 2% on Thursday mainly due to strong economic numbers from US and supply disruption from Libya. Libya halted operation at key export terminals, slashing more than half of its exports. Further, improved risk appetite in the global economy pushed the prices beyond \$75. Meanwhile, demand concerns from China checked its upside.
- Base metals prices traded mixed yesterday as copper consolidates and Aluminum weakens the most amid surge in inventory levels. Stronger dollar and demand concerns from China weighed on the metals, where as better than expected US economic numbers limited the downside in the red metal.
- NYMEX natural gas prices witnessed a rebound after the weekly EIA inventory data reported a below average increase in inventories.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72188	0.62%	2521.40	0.67%
Silver	84872	1.07%	29.42	1.01%
Copper	807.5	0.06%	9244.00	-0.18%
Aluminium	227.3	-0.48%	2457.50	-1.54%
Zinc	268.2	0.32%	2878.00	-0.10%
Lead	186.0	-0.59%	2035.50	-2.37%
WTI Crude Oil	6362	1.18%	75.91	1.87%
US Nat Gas	212.4	-0.65%	2.14	10.73%

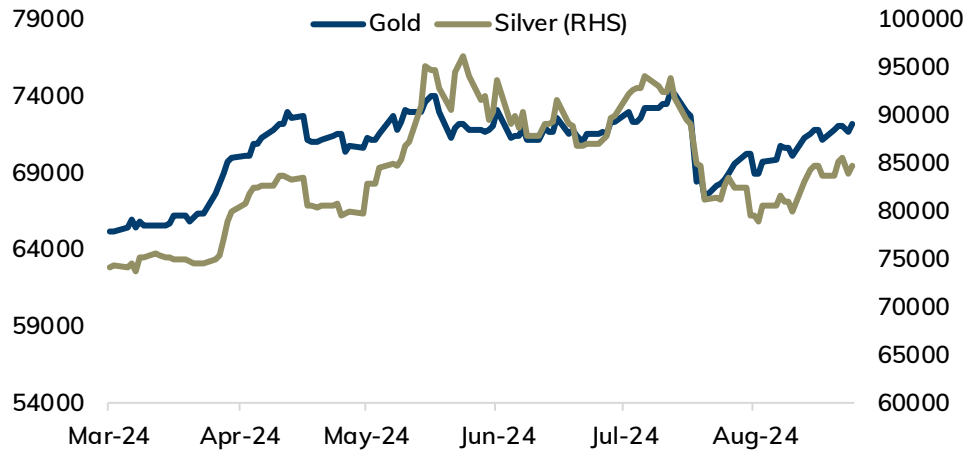
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th September)	83.94	-0.03%	1441166	-647250	162997	-108987
EURINR (26th September)	93.28	-0.33%	47956	42880	8014	-3214
GBPINR (26th September)	110.63	-0.38%	49192	46262	3706	-1940

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	September	Buy	6240-6250	6380	6170	Target Achieved

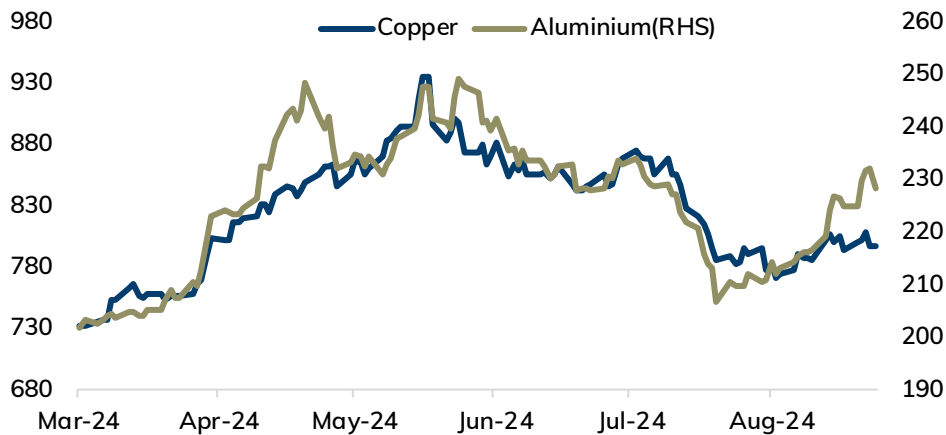
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to consolidate in the band of \$2500 and \$2530 ahead of the key US PCE price index data. Moderation in the US inflation numbers would strengthen the rate cut bets and support the bullions to stay higher. Further, safe haven buying due to the ongoing tension in the Middle East would also support the bullions. Moreover, strong inflows into the gold ETFs which rose to its highest level in last 6-month would also support the bulls. Meanwhile, a strong call base near 2550 call strike indicates a stiff resistance for the yellow metal. COMEX October futures has to move above the \$2550 to bring fresh buying momentum.
- MCX Gold Oct has to breach the key resistance at 72,300, to extend its rally towards 73,000. For the day, prices is expected to move in the band of 71,500 to 72,300. Only above 72,300 it would turn bullish.
- Spot silver is hovering in the band of \$29.00 and \$30. A move above \$30 would bring back the bulls into action. MCX Silver December is expected to hold the support of 85,800 and move towards 88,500.

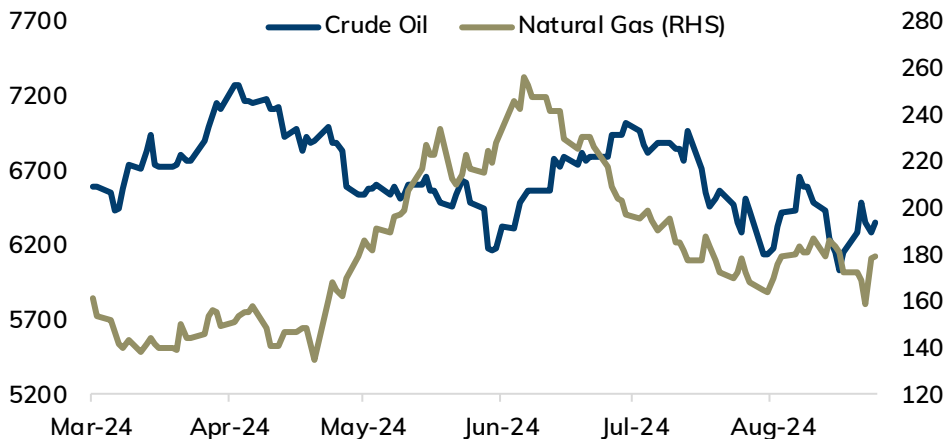
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to hold its ground and trade higher amid improved risk sentiments and supply concerns from Chile. Meanwhile, rising LME inventories and forecast of contraction in manufacturing activity in China would hurt the demand outlook. Furthermore, focus will remain on weekly SHFE inventory levels and key US inflation data which could bring further clarity in price trend.
- MCX Copper September is expected to hold the support of 20 DEMA at 802 and rebound towards 812. Only close below 802 it would weaken towards 796.
- MCX Aluminium is expected to face the hurdle near 230 and weaken towards 225. Declining cash to 3-month premium indicates fading supply issues and rise in inventories.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold its ground above \$74 mark and move towards the \$77 level amid supply concerns from Libya and persistent tension in the Middle East. Further, improved risk sentiments amid strong US GDP numbers and growing bets of lower rates in the coming quarter would increase the demand prospects. Meanwhile, investors will focus on key US PCE price data to get more clarity on the quantum of rate cuts. Meanwhile, OI concentration in OTM and ATM put strikes indicates strong support near \$75. On the upside, higher OI concentration observed at 77 and 80 strike call would act as major resistance.
- MCX Crude oil Sep is likely to hold the support near 6200 and rise towards 6480. A move above 6480 would push it towards 6600.
- MCX Natural gas September is likely to hold the support near 174 and rebound towards the 10-day EMA at 184. Above 184, it would rise towards 190.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71497	71842	72046	72391	72595
Silver	83665	84269	84634	85238	85603
Copper	795.8	801.6	806.3	812.2	816.9
Aluminium	224.5	225.9	226.9	228.3	229.3
Zinc	265.2	266.7	267.9	269.4	270.6
Lead	184.4	185.2	186.3	187.1	188.3
Crude Oil	6112	6237	6348	6473	6584
Nat Gas	204	208	211	216	219

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	83.85	83.90	83.96	84.00	84.06
US\$INR (Oct)	83.95	84.00	84.05	84.10	84.15
EURINR (Sep)	92.84	93.06	93.32	93.55	93.81
EURINR (Oct)	92.81	93.00	93.28	93.47	93.75
GBPINR (Sep)	110.21	110.42	110.74	110.95	111.28
GBPINR (Oct)	109.76	110.17	110.51	110.92	111.26
JPYINR (Sep)	57.95	58.15	58.27	58.47	58.59
JPYINR (Oct)	58.19	58.43	58.49	58.73	58.79

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	101.34	101.09	0.25%
US\$INR	83.87	83.96	-0.11%
EURUSD	1.1077	1.1120	-0.39%
EURINR	93.06	93.50	-0.47%
GBPUSD	1.3168	1.3191	-0.17%
GBPINR	110.65	111.03	-0.34%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.864	6.861	0.00
US	3.862	3.835	0.01
Germany	2.274	2.261	0.01
UK	4.019	4.001	0.00
Japan	0.899	0.903	0.00

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
8/28/2024	8:00 PM	-0.8M	-2.7M
8/21/2024	8:00 PM	-4.6M	-2.0M
8/14/2024	8:00 PM	1.4M	-1.9M
8/7/2024	8:00 PM	-3.7M	-1.6M
7/31/2024	8:00 PM	-3.4M	-1.6M
7/24/2024	8:00 PM	-3.7M	-2.6M
7/17/2024	8:00 PM	-4.9M	-0.9M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	322950	8700	2.77%
Aluminium	856725	-3500	-0.41%
Zinc	246325	-3300	-1.32%
Lead	182750	-725	-0.40%
Nickel	117534	186	0.16%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, August 26, 2024						
1:30 PM	Europe	German ifo Business Climate	86.6	86	87	Medium
6:00 PM	US	Durable Goods Orders m/m	9.90%	4%	-6.70%	Medium
Tuesday, August 27, 2024						
6:30 PM	US	S&P/CS Composite-20 HPI y/y	6.50%	6.90%	6.80%	Medium
7:30 PM	US	CB Consumer Confidence	103.3	100.2	100.3	High
7:30 PM	US	Richmond Manufacturing Index	-19	-14	-17	Medium
Wednesday, August 28, 2024						
10:45 AM	US	FOMC Member Waller Speaks	-	-	-	Medium
8:00 PM	US	Crude Oil Inventories	-0.8M	-2.7M	-4.6M	Medium
Thursday, August 29, 2024						
All Day	Europe	German Prelim CPI m/m	-0.10%	0.00%	0.30%	High
6:00 PM	US	Prelim GDP q/q	3.00%	2.80%	2.80%	High
6:00 PM	US	Unemployment Claims	231K	234K	232K	High
7:30 PM	US	Pending Home Sales m/m	-5.50%	0.20%	4.80%	Medium
8:00 PM	US	Natural Gas Storage	35B	33B	35B	Medium
Friday, August 30, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	2.40%	2.20%	2.20%	Medium
2:00 PM	UK	Net Lending to Individuals m/m	-	3.4B	3.8B	Medium
2:30 PM	Europe	CPI Flash Estimate y/y	-	2.20%	2.60%	High
6:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.20%	High
6:00 PM	US	Personal Spending m/m	-	0.50%	0.30%	Medium
7:15 PM	US	Chicago PMI	-	44.4	45.3	Medium
7:30 PM	US	Revised UoM Consumer Sentiment	-	67.9	67.8	Medium



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