

September 11, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	September	Buy	782-783	792	778	Intraday

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News and Developments

- Gold prices traded higher ahead of an expected US interest rate cut in September. Safe haven buying and increasing inflows into the ETF's supported the yellow metal to trade higher.
- Dollar index traded edged higher amid diminishing bets of 50 bps interest rate cut in September. As per the CME-Fed watch tool probability of 25 bps rate cut in September has moved above 70%.
- US treasury yields traded lower ahead of the key US inflation. Expectation of drop in annual inflation numbers to 2.6% from previous reading of 2.9% has increased the chance of 3 rate cuts in this year.
- NYMEX crude oil prices lost more than 4% on Tuesday after OPEC+ reduced their demand forecast for the 2nd time in two months. In its latest report OPEC+ has revised its demand growth by 2 million barrels per day in 2024, which is 80,000 bpd less than previous estimates. Lower demand from China as rise in electrical vehicle sales reduces oil consumptions. Demand concerns outweighed the supply worries that raised over Tropical storm Francine which threatens to halt oil and gas production in Gulf coast.
- Base metals pared its earlier gains and edged lower amid strong dollar and rising inventory levels in LME. Meanwhile, improved export numbers despite restriction by Europe and US supported the metals to trim its losses. Further, improved demand, as the SHFE stocks continued to decline since July has provided some support to the metals.
- NYMEX natural gas traded higher as producers cut the output ahead of hurricane which is expected to hit Louisiana on Wednesday. Louisiana has key three export plants out of major seven operating LNG export plants in US.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71913	0.40%	2516.73	0.41%
Silver	83681	0.04%	28.40	0.20%
Copper	785.0	-0.75%	9026.00	-0.78%
Aluminium	219.6	-0.63%	2336.50	-0.60%
Zinc	254.7	-0.35%	2712.00	-0.70%
Lead	181.0	-0.28%	1955.00	0.10%
WTI Crude Oil	5533	-4.21%	65.75	-4.31%
US Nat Gas	188.7	3.45%	2.23	2.86%

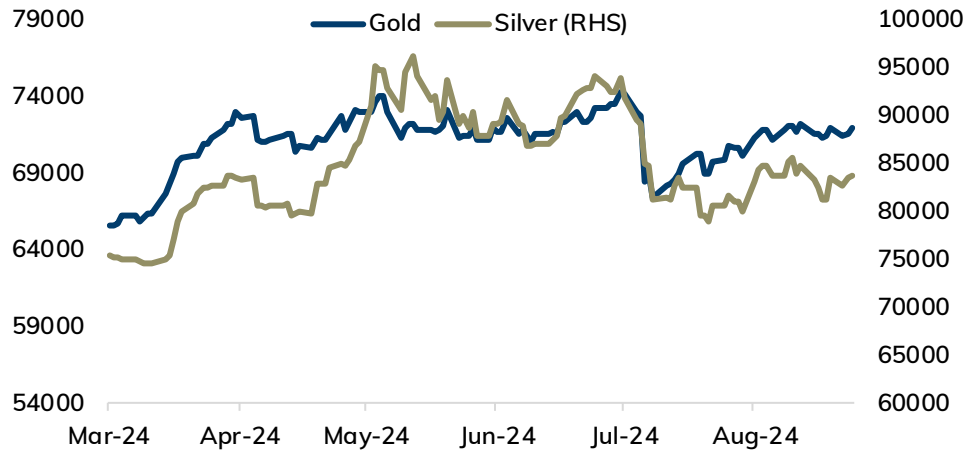
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th September)	84.03	0.02%	2181603	131968	358434	270890
EURINR (26th September)	92.82	-0.08%	40265	-587	1723	-2783
GBPINR (26th September)	109.97	0.03%	47907	-3873	6839	-1481

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	October	Buy	71300-71330	71850	71000	Not initiated

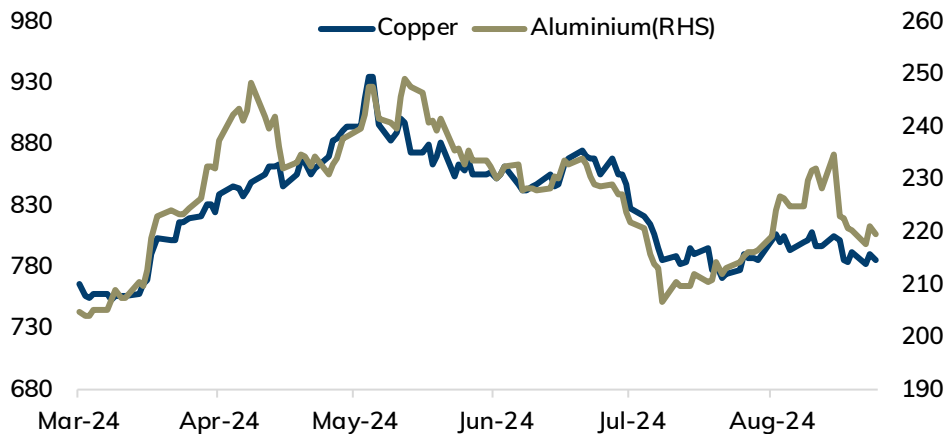
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to hold above \$2490 and move higher towards \$2530 amid growing prospects of loose monetary policy from major central banks. Further dovish comments from the Fed members and moderation in the US inflation numbers would support the yellow metal to trade higher. US annual CPI is expected to drop to 2.6% against previous reading of 2.9%. Moreover, strong demand from over the counter and ETF inflows would provide support to the bullions.
- MCX Gold Oct is expected to rise towards higher band of the consolidation range of 71,000-72,250. A move above 72,250 would open the doors towards 72,800.
- Spot silver is expected to rebound towards the immediate hurdle near 20 day EMA at \$28.75, as long as it holds above \$27.70. MCX Silver December is expected to move higher towards 84,500, as long as it holds the key support at 82,000.

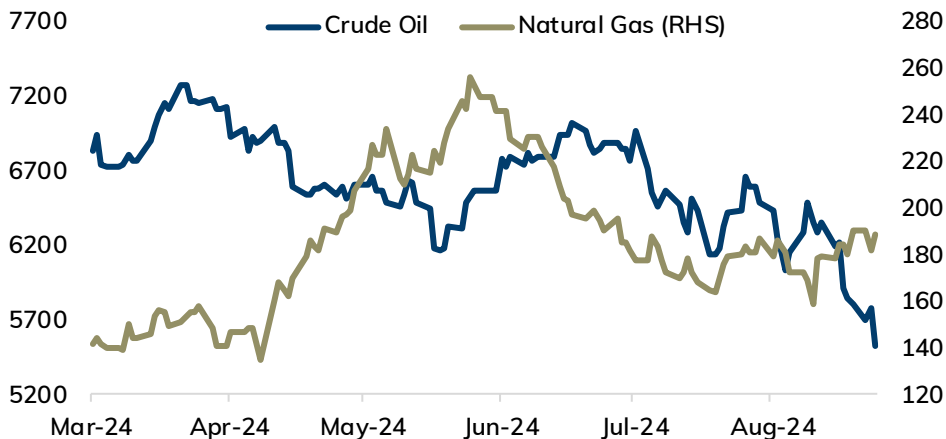
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade higher amid improved demand in China. Increasing EV sales and expectation of loan growth indicates recovery in the economy. Further, growing bets of fresh round of stimulus from China after the inflation data would also support the metals to trade higher. Additionally, rise in Yangshan copper premium to one-month high indicates improving demand in China. Meanwhile increasing inventory levels in LME would limit its upside. Today's focus will remain on US CPI data as it would bring more clarity on the quantum of rate cut this year.
- MCX Copper September is expected to hold the support at 778 and move towards the key resistance at 800. Only move below 778 it would turn weaker.
- MCX Aluminium is expected to face the hurdle near 223 and weaken towards 218. Only above, 223 it would rise towards 225.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is likely to remain under pressure amid demand concerns. Downward revision to OPEC+'s demand growth in 2024 and 2025 would weigh on oil prices. Further, China's crude oil imports fell by 7% in August compared to same period last year due to weak refining margins and low fuel consumption. Meanwhile, EIA in its monthly report stick to its higher demand forecast. Additionally, fear of supply disruption due to tropical storm in Gulf of Mexico would limit the downside in oil prices. On the upside \$68 would act as major resistance for price. Similarly \$65 would act as strong support for prices. Closure of OTM and ATM put strike indicates weakness in the prices.
- MCX Crude oil Sep is likely to face the hurdle near 5780 and weaken further towards 5450. Only close below 5450 it would test 5300.
- MCX Natural gas September is likely to consolidate in the band of 180 to 192. Only a move above 192, it would turn bullish.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71412	71662	71831	72081	72250
Silver	82456	83069	83672	84285	84888
Copper	774.9	779.9	787.5	792.5	800.1
Aluminium	217.3	218.4	220.1	221.2	222.9
Zinc	250.7	252.7	254.7	256.7	258.7
Lead	180.2	180.6	181.2	181.6	182.2
Crude Oil	5322	5427	5607	5712	5892
Nat Gas	175	182	186	193	197

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	83.96	83.99	84.01	84.05	84.07
US\$INR (Oct)	84.02	84.05	84.10	84.13	84.18
EURINR (Sep)	92.65	92.74	92.81	92.90	92.98
EURINR (Oct)	92.77	92.81	92.90	92.94	93.03
GBPINR (Sep)	109.62	109.80	109.97	110.15	110.32
GBPINR (Oct)	109.79	109.89	109.99	110.09	110.19
JPYINR (Sep)	58.41	58.56	58.65	58.80	58.90
JPYINR (Oct)	58.79	58.99	58.80	59.00	58.81

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	101.63	101.55	0.08%
US\$INR	83.98	83.96	0.02%
EURUSD	1.1020	1.1035	-0.14%
EURINR	92.71	92.84	-0.14%
GBPUSD	1.3080	1.3074	0.05%
GBPINR	109.99	109.90	0.08%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.851	6.854	0.00
US	3.642	3.700	-0.06
Germany	2.131	2.168	-0.04
UK	3.819	3.856	-0.04
Japan	0.900	0.901	0.00

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
9/5/2024	8:30 PM	-6.9M	-0.6M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	316175	-275	-0.09%
Aluminium	831350	-3500	-0.42%
Zinc	234450	-2100	-0.89%
Lead	175275	-1725	-0.97%
Nickel	122214	558	0.46%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, September 9, 2024						
7:00 AM	China	CPI y/y	0.60%	0.70%	0.50%	Medium
2:00 PM	Europe	Sentix Investor Confidence	-15.4	-12.4	-13.9	Medium
Tuesday, September 10, 2024						
11:30 AM	UK	Claimant Count Change	23.7K	95.5K	135K	High
11:30 AM	UK	Average Earnings Index 3m/y	4%	4.10%	4.50%	Medium
Wednesday, September 11, 2024						
11:30 AM	UK	GDP m/m	-	0.20%	0.00%	Medium
6:00 PM	US	CPI y/y	-	2.60%	2.90%	High
8:00 PM	US	Crude Oil Inventories	-	-	-6.9M	Medium
Thursday, September 12, 2024						
5:30 PM	India	CPI y/y	-	3.45%	3.54%	High
5:45 PM	Europe	Main Refinancing Rate	-	-	4.25%	High
6:00 PM	US	PPI m/m	-	0.20%	0.10%	High
6:00 PM	US	Unemployment Claims	-	229K	227K	High
8:00 PM	US	Natural Gas Storage	-	-	13B	Medium
Friday, September 13, 2024						
2:30 PM	Europe	Industrial Production m/m	-	-0.30%	-0.10%	Medium
7:30 PM	US	Prelim UoM Consumer Sentiment	-	68.4	67.9	Medium
7:30 PM	US	Prelim UoM Inflation Expectations	-	-	2.80%	Medium



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