

June 25, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	July	Buy	6750-6760	6880	6680	Intraday

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News and Developments

- Gold prices edged higher on Monday amid retreat in the dollar. Dovish comments from the Fed member supported the bullions to recover some of its earlier losses. Further, increase in holdings by the Gold ETF's after Friday's fall also supported the yellow metal to trim its earlier losses.
- Silver prices moved in a thin range as most investors waited for this weeks key Core PCE data.
- Dollar index retreated for its 7-week high amid dovish comments from the Fed member Goolsbee. He said it may be appropriate for the Fed to start thinking about whether restrictive policy is putting too much pressure on the economy.
- US 10-year treasury yields edged higher and settled near 4.26 and the 2-year treasury yields remained steady near 4.73
- NYMEX Crude oil prices regained its strength and rallied towards the \$82 mark amid softness in the dollar. Further, decline in US active oil rig counts to two and half year lows also supported its gains. In addition, sign of strength in US fuel demand as gasoline demand hit highest mark in 7-month pushed the oil prices to recover all its losses.
- Copper prices remained under pressure amid subdued demand from top metal consumer China and a significant rise in inventory levels at LME as well as SHFE. Further trade tension between Europe and China also weighed on the metal prices to trade lower.
- Natural Gas prices edged higher on Monday amid forecast of above normal temperature across lower 48 states till first week of July.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71791	0.29%	2334.65	0.55%
Silver	88999	-0.16%	29.58	0.09%
Copper	847.9	-0.24%	9661.00	-0.22%
Aluminium	229.3	-0.35%	2503.00	-0.42%
Zinc	257.4	-0.06%	2846.00	0.07%
Lead	187.6	-0.56%	2183.00	-0.37%
WTI Crude Oil	6822	1.13%	81.63	1.11%
US Nat Gas	242.1	1.85%	2.81	3.92%

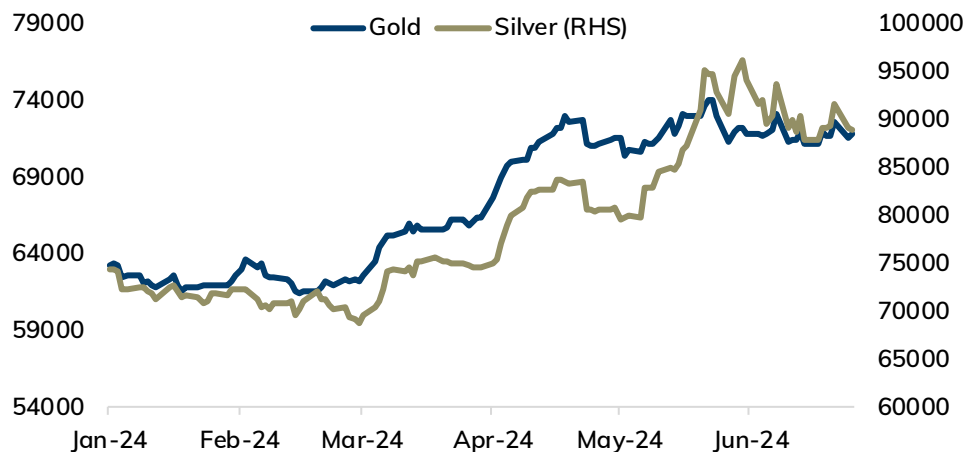
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.49	-0.10%	2172490	-377250	508495	304706
EURINR (26th June)	89.51	0.15%	12300	-1000	1754	424
GBPINR (26th June)	105.73	0.02%	5977	-811	1259	-11286

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural gas	July	Sell	240-241	230	246	Exit in Loss

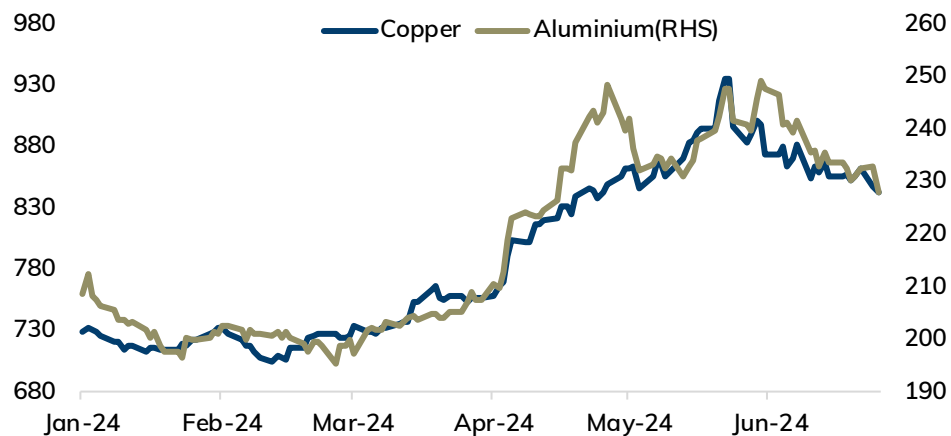
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold the support near \$2310 and move towards \$2350 level amid softness in the dollar. Further, mixed US economic numbers would increase the rate cut probability in September and support the bullions to regain its strength. Additionally, safe haven bids on the back of geopolitical and economic uncertainties might help the precious metal to trim its losses. Meanwhile, higher OI in OTM calls indicates prices to face resistance at higher levels.
- MCX Gold Aug has formed a bearish engulfing pattern on the daily charts, which might restrict the upside in the precious metal. Immediate resistance for price exists near 72,350. For the day, we expect prices to recover some its losses and rebound towards the initial hurdle near 72,350. Only close below 71,500, it would weaken towards 71,200.
- MCX Silver July is expected to move lower towards 88,200 as long as it trades under 90,200.

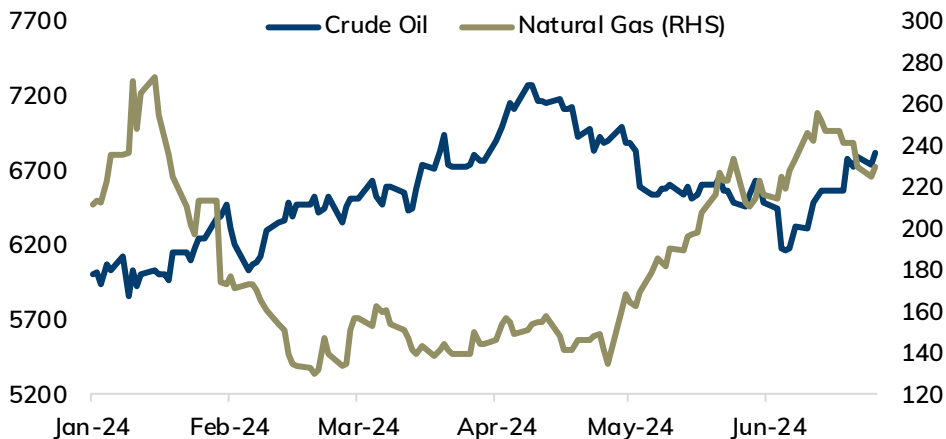
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to remain under pressure amid demand concerns from China and build-up of inventory levels in LME. Further, expectation of moderation in US house prices and weakness in the manufacturing index would hurt the demand outlook of the base metals. Meanwhile, focus will remain on the key comments from the Fed officials and latest economic numbers to get more clarity in its direction.
- MCX Copper July is expected to face the hurdle near 10 day EMA at 859 and move lower towards its recent bottom at 844. Only a move below 844, it would open the downside in the metal towards 836. The bearish cross over of 10 and 20 day EMA in daily charts indicates weakness in the price trend.
- Aluminum is expected to trade weak and move towards 227, as long as it remains under 234 mark.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold its gains and move towards the \$84 mark amid supply concerns and improved demand outlook. Escalating Mideast tension and fresh attacks from Ukraine on Russian oil refinery has caused supply concerns. On the other hand, disappointing economic numbers from China would restrict its upside. Further, higher OI concentration at OTM call strikes indicates price may face stiff resistance near \$84. On the downside \$80 holds as key support.
- MCX Crude oil July is likely to hold the 10 day EMA support near 6690, and move higher towards 6900. Above 6900 it would rise towards 7000.
- MCX Natural gas July is likely to regain its strength amid increasing demand from the electricity providers. Forecast of above normal temperature in US would support the gas price. MCX Natural gas is expected to rise towards 248, as long as it holds above 234.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71398	71595	71727	71924	72056
Silver	88332	88666	89060	89394	89788
Copper	842.8	845.3	848.8	851.4	854.9
Aluminium	227.6	228.4	229.8	230.6	232.0
Zinc	253.9	255.6	257.5	259.2	261.0
Lead	186.4	187.0	188.0	188.6	189.6
Crude Oil	6655	6738	6784	6867	6913
Nat Gas	230	236	240	246	250

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	83.38	83.44	83.50	83.55	83.61
US\$INR (July)	83.46	83.51	83.57	83.62	83.68
EURINR (June)	89.13	89.32	89.43	89.62	89.72
EURINR (July)	89.60	89.65	89.74	89.79	89.88
GBPINR (June)	105.50	105.61	105.68	105.79	105.86
GBPINR (July)	105.46	105.60	105.67	105.81	105.88
JPYINR (June)	51.91	52.13	52.51	52.73	53.11
JPYINR (July)	52.46	52.57	52.79	52.90	53.12

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.47	105.80	-0.31%
US\$INR	83.47	83.54	-0.09%
EURUSD	1.0733	1.0693	0.37%
EURINR	89.50	89.38	0.14%
GBPUSD	1.2686	1.2645	0.32%
GBPINR	105.74	105.70	0.04%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.974	6.973	0.00
US	4.232	4.255	-0.01
Germany	2.419	2.412	0.00
UK	4.081	4.083	0.00
Japan	0.996	0.975	0.02

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
5/8/2024	8:00 PM	-1.4M	-1.0M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	167825	2650	1.60%
Aluminium	1049825	-5600	-0.53%
Zinc	240400	-2125	-0.88%
Lead	223950	-1325	-0.59%
Nickel	90906	456	0.50%

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%	7.40%	Medium
7:30 PM	US	CB Consumer Confidence	-	100.2	102	High
7:30 PM	US	Richmond Manufacturing Index	-	2	0	Medium
Wednesday, June 26, 2024						
11:30 AM	Europe	German GfK Consumer Climate	-	-19.9	-20.9	Medium
7:30 PM	US	New Home Sales	-	650K	634K	Medium
8:00 PM	US	Crude Oil Inventories	-	-	-2.5M	Medium
Thursday, June 27, 2024						
6:00 PM	US	Final GDP q/q	-	1.40%	1.30%	High
6:00 PM	US	Unemployment Claims	-	240K	238K	High
6:00 PM	US	Durable Goods Orders m/m	-	-0.10%	0.60%	High
6:00 PM	US	Goods Trade Balance	-	-96B	-99.4B	Medium
7:30 PM	US	Pending Home Sales m/m	-	-	-7.70%	Medium
8:00 PM	US	Natural Gas Storage	-	-	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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