

May 6, 2024

# Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	May	Buy	173-174	184	170	Intraday

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## News and Developments

- Spot gold prices fell to its one-month low despite weaker than expected US jobs data. Gold lost almost 1% last week amid easing geopolitical risks. But weakness in the dollar and softer US treasury yields helped the precious metal to rebound from its one month low and settle near \$2300 mark.
- US dollar index slide towards the 105 mark amid disappointing US job numbers. US nonfarm payrolls increased by 175,000 jobs in April, healthy but short of expectations for an increase of 243,000. The unemployment rate rose to 3.9% from 3.8%.
- 10 year US treasury yields moved lower and hit 4.51% and the 2 year US treasury yields slide to 4.82% after softer than expected US payroll numbers eased the concerns that the Federal Reserve would keep interest rates higher for longer.
- NYMEX crude oil fell to its 3-month low amid easing geopolitical risk premiums related to Israel-Hamas conflict after both the sides considers a temporary ceasefire and engage in talks with international mediators. Further, less than expected US job numbers and cooling in annual wage gains raised the demand concerns ahead of the Summer drive season.
- Copper prices rebounded from its lowest level of the week amid weakness in the dollar and alterations to forecasts showing diminished supply after mine disruptions.
- Natural gas futures jumped more than 5% and hit its highest level in 3-months amid continued drop in output. US gas production has dropped by around 11% so far in 2024 as several energy firms scaled down the drilling activities. Baker Hughes reported that the number of active US natural gas drilling rigs in the week ending May 3 fell by -3 rigs to a 2-1/2 year low.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	70668	-0.10%	2301.74	-0.09%
Silver	79712	-0.30%	26.56	-0.46%
Copper	855.3	1.11%	9910.00	1.48%
Aluminium	233.3	0.58%	2551.50	0.93%
Zinc	257.8	0.37%	2903.00	0.59%
Lead	191.5	0.42%	2215.00	1.61%
WTI Crude Oil	6546	-0.83%	78.11	-1.06%
US Nat Gas	201.8	3.59%	2.14	5.26%

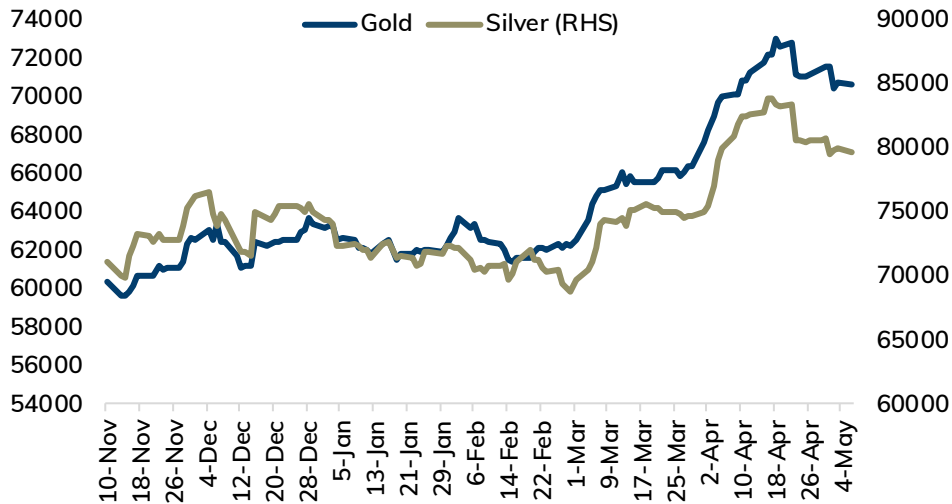
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th May)	83.52	-0.02%	2675287	-5095	658242	318116
EURINR (29th May)	89.57	0.25%	19915	278	6015	3364
GBPINR (29th May)	104.60	0.06%	12379	14	3857	1046

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	May	Buy	164-165	173	160	Not initiated

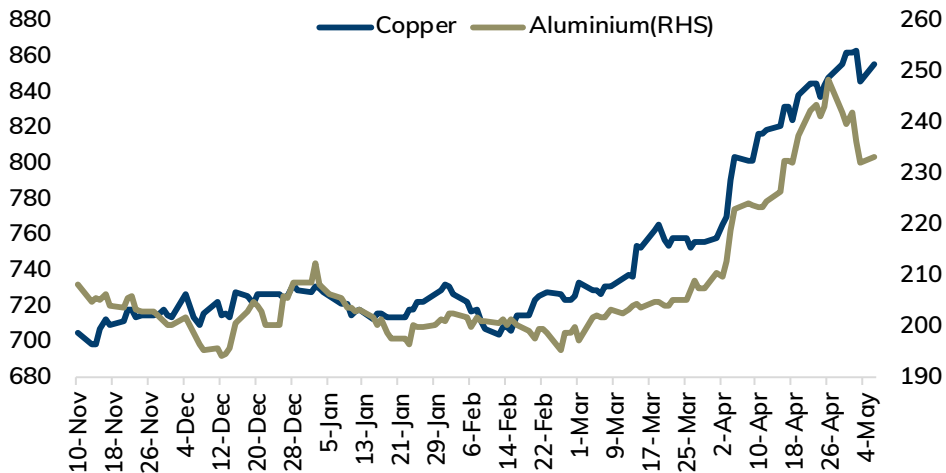
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected to find support near \$2280 and move towards \$2320 amid geopolitical risk. Fresh attacks in Rafah has raised the concerns that tension between Israel and Hamas could escalate. Meanwhile, growing bets that the Federal Reserve will reduce the rates in September after softer US jobs report would also support the bullions to move higher. Now the focus will shift towards the comments from the Fed members which could bring more clarity on the timing of the first rate cut.
- MCX Gold June is expected to find the floor near 70100 and move towards the initial resistance at 71300. Only close below 70100, it would turn weaker.
- MCX Silver July is expected to consolidate in the band of 80200 and 82200. Only a move above the 20 day EMA of 82200 would open the upside in the metals to 83200. Alternatively, below 80200 it would slid towards 79200.

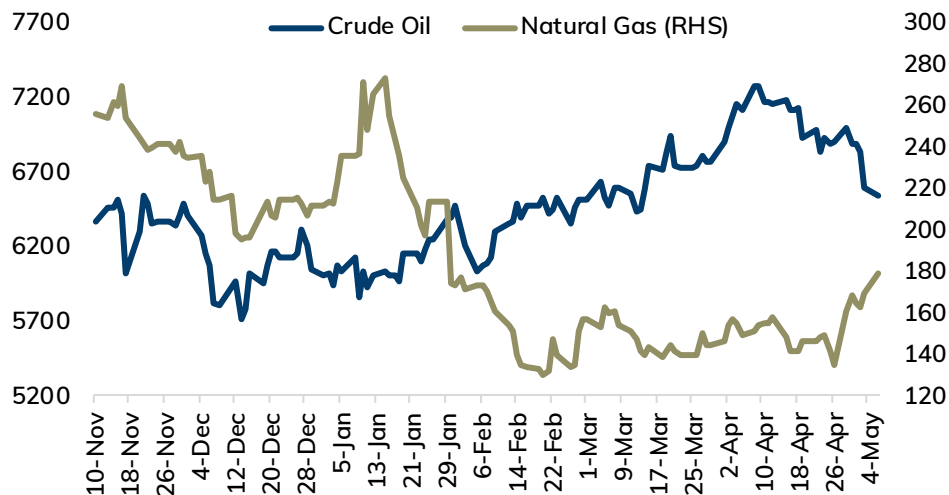
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to hold its strength and trade with a positive bias on expectation that global supply will struggle to meet growing demand from the clean energy sector. Strong demand growth from the EV space would support the metal to trade higher. Further, measures from Beijing to consumers switching to EV would increase the demand of the metals. Moreover, improved risk sentiments and optimism from the Chinese property sector would boost the prices to stay elevated.
- For the day MCX Copper May is likely to hold the support of 10 day EMA at 848 and move higher towards 862. Only a move below 848, it would turn weaker and test the next support at 842.
- Aluminum May future is expected to find the floor near 230 and rebound towards 237. Only close below 230 it would turn weaker.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected find the floor near \$77 on prospect that OPEC might extend its output cut. Further, prices may find support after Saudi Arabia raised the price of its crude oil to Asia for 3<sup>rd</sup> straight month. Meanwhile, focus will remain on the geopolitical concerns in Middle East. Recent , attacks on Rafah after the latest round of negotiation for a ceasefire would limit the downside in the oil prices. On the upside \$81 would act as immediate resistance for NYMEX crude.
- MCX Crude oil May future is expected to find the floor near 6500 and move towards the initial hurdle at 6700. Only, move below 6500 it would turn bearish.
- MCX Natural Gas May future is expected to hold the support at 170 and move higher towards 186. An increase in demand form the US electricity providers and expectation of export boost would support the gas prices to trade higher.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	69579	70124	70626	71171	71673
Silver	78897	79305	79802	80210	80707
Copper	839.2	847.3	852.0	860.1	864.8
Aluminium	228.9	231.1	232.9	235.1	236.9
Zinc	253.3	255.5	257.1	259.3	260.9
Lead	189.3	190.4	191.1	192.2	192.9
Crude Oil	6470	6508	6578	6616	6686
Nat Gas	190	196	199	205	208

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.35	83.44	83.49	83.58	83.63
US\$INR (Jun)	83.42	83.53	83.61	83.72	83.80
EURINR (May)	89.15	89.36	89.47	89.68	89.79
EURINR (Jun)	89.56	89.63	89.73	89.81	89.91
GBPINR (May)	104.47	104.54	104.59	104.66	104.71
GBPINR (Jun)	104.45	104.55	104.65	104.75	104.85
JPYINR (May)	53.49	53.96	54.23	54.70	54.97
JPYINR (Jun)	54.90	55.02	55.19	55.31	55.47

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.03	105.30	-0.26%
US\$INR	83.43	83.47	-0.05%
EURUSD	1.0761	1.0725	0.34%
EURINR	89.63	89.35	0.31%
GBPUSD	1.2547	1.2534	0.10%
GBPINR	104.80	104.47	0.31%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.147	7.160	-0.013
US	4.508	4.581	-0.0734
Germany	2.495	2.541	-0.046
UK	4.222	4.286	-0.064
Japan	0.901	0.901	0

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
01-05-2024	8:00 PM	7.3M	-2.3M
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

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	111300	-3975	-3.45%
Aluminium	487750	-1500	-0.31%
Zinc	253975	-900	-0.35%
Lead	266000	-2725	-1.01%
Nickel	79920	1140	1.45%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, May 6, 2024						
7:15 AM	China	Caixin Services PMI	52.5	52.5	52.7	Medium
2:00 PM	Europe	Sentix Investor Confidence	-	-4.8	-5.9	Medium
Tuesday, May 7, 2024						
11:30 AM	Europe	German Factory Orders m/m	-	0.40%	0.20%	Medium
11:30 AM	UK	Halifax HPI m/m	-	0.20%	-1.00%	Medium
2:00 PM	UK	Construction PMI	-	50.4	50.2	Medium
2:30 PM	Europe	Retail Sales m/m	-	0.60%	-0.50%	Medium
Wednesday, May 8, 2024						
11:30 AM	Europe	German Industrial Production m/m	-	-1.00%	2.10%	Medium
8:00 PM	US	Crude Oil Inventories	-	-	7.3M	Medium
Thursday, May 9, 2024						
Tentative	China	Trade Balance	-	510B	416B	Medium
4:30 PM	UK	Official Bank Rate	-	5.25%	5.25%	High
5:00 PM		BOE Gov Bailey Speaks	-	-	-	High
6:00 PM	US	Unemployment Claims	-	211K	208K	High
8:00 PM	US	Natural Gas Storage	-	-	59B	Medium
Friday, May 10, 2024						
11:30 AM	UK	GDP m/m	-	0.10%	0.10%	High
11:30 AM	UK	Prelim GDP q/q	-	0.40%	-0.30%	High
7:30 PM	US	Prelim UoM Consumer Sentiment	-	76.3	77.2	High
7:30 PM	US	Prelim UoM Inflation Expectations	-	-	3.20%	Medium



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