

June 7, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	June	Buy	6290-6300	6450	6200	Intraday

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News and Developments

- Spot gold prices edged higher yesterday gaining almost 1% while, silver prices rose more than 4% amid weakness in dollar and fall in US treasury yields. Gold prices climbed 2 week high after weak job data, cemented expectations that US Fed would cut interest rates later this year. Further, prices were supported by global rate cut prospects driven by ECB and BOC lowering rates
- Dollar drifted lower after data showed that labor market tightness is ebbing. Additionally, US April trade deficit widened by the most in 1-1/2 years. Moreover, euro strengthened and weighed on the dollar on hawkish comments from ECB President Lagarde and widely anticipated European Central Bank rate cut
- US weekly initial unemployment claims rose 8,000 to 229,000, showing a weaker labor market than expectations of 220,000. US April trade deficit widened to -\$74.6 billion from -\$69.4 billion in March
- US Treasury yields fell ahead of Non-Farm Payrolls data and wage data. Yield on benchmark US 10-year treasury note stood at 4.2890% and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower to 4.72%.
- Crude oil prices settled higher yesterday gaining more than 1.8% on global rate cut prospects driven by ECB and BOC lowering rates. Investors hopes that others including the Federal Reserve could soon follow suit. Additionally, OPEC+ ministers reassured investors the latest oil output agreement could change depending on the market
- Copper prices rose yesterday by more than 1% amid weakness in dollar and rise in risk appetite in the global markets. Further, BOC and ECB opted to cut interest rates, spurring hopes that the Fed will follow suit

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	73131	0.85%	2376.06	0.88%
Silver	93816	3.73%	31.33	4.38%
Copper	881.8	1.40%	10149.00	2.25%
Aluminium	241.7	1.07%	2647.50	0.97%
Zinc	261.8	1.34%	2910.00	1.61%
Lead	190.0	0.08%	2241.50	0.54%
WTI Crude Oil	6326	2.20%	75.55	2.00%
US Nat Gas	234.0	2.54%	2.82	2.32%

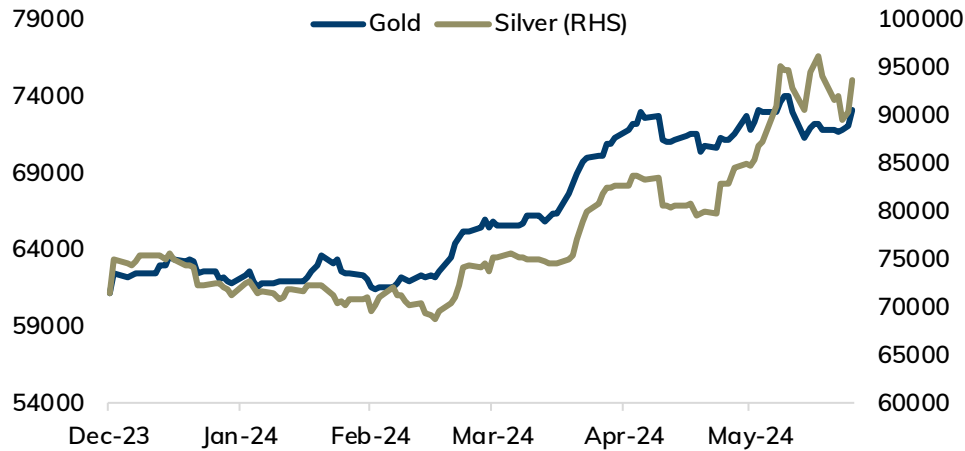
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.55	0.10%	3148971	107254	278260	-324581
EURINR (26th June)	90.85	0.30%	22030	2558	5298	4189
GBPINR (26th June)	106.65	0.28%	23921	5790	6688	5235

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	July	Buy	72250-72300	72900	71900	Not Initiated

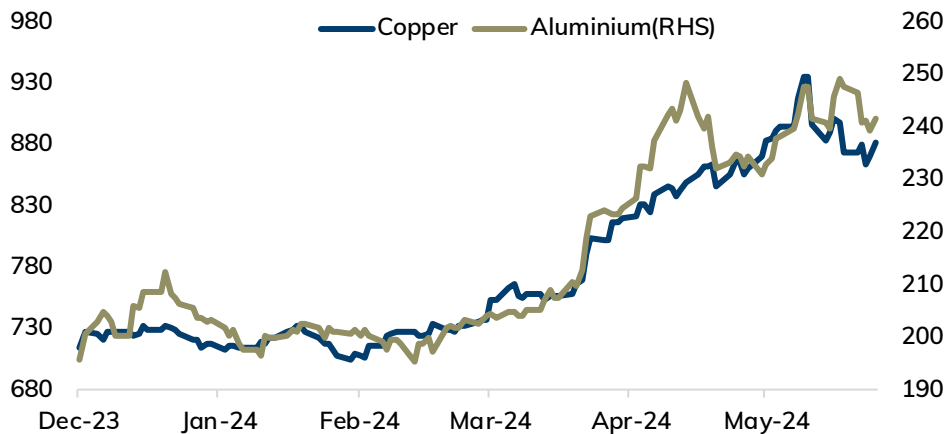
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to rise further towards \$2400 level amid weakness in dollar and fall in US treasury yields. Dollar and Yields are moving south as recent batch of economic data showed moderating inflation along with ebbing labor market tightness. After weak private payrolls data and initial claims market anticipates that non-farm payrolls data would come below expectations. Markets are pricing in two 25 basis points Fed cuts this year, with the first most likely in September. Spot gold prices may rise further towards \$2400 level as long as it stays above \$2350 level (20-day EMA)
- MCX Gold Aug prices is likely to rise further towards 73,700 level as long as it stays above 72,700 level. A break above 73,700 level prices may rise further towards 74,000 level.
- MCX Silver July is expected to rise further towards 95,000 level as long as it stays above 92,000 level (10-Day EMA). A break above 95,000 level prices may rise further towards 96,000 level

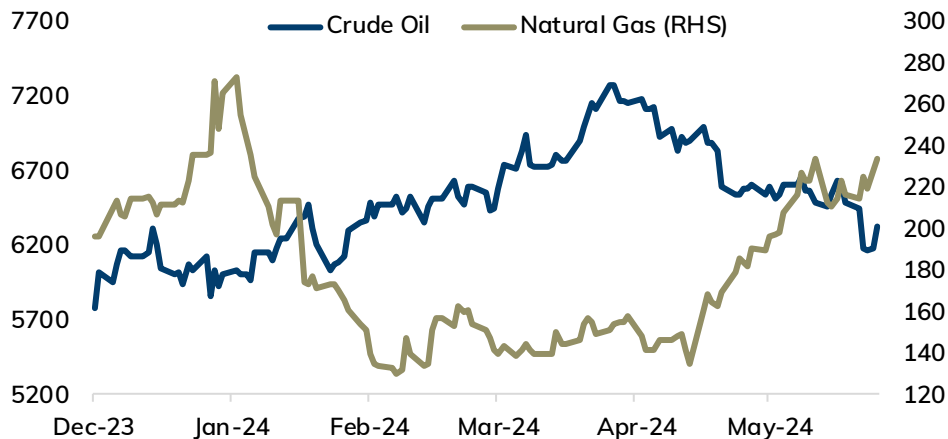
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with the positive bias amid weak dollar and optimistic global market sentiments. Further, prices may rally on optimism that central bank rate cuts will help economic growth and increase the demand for industrial metal. After Bank of Canada cut interest rates by 25 basis points to 4.75%, European Central Bank cut interest rates for the first time in nearly five years by 25bps to 4.25%. Investors hopes that Federal Reserve to follow as soon as September. Meanwhile, rising inventories at LME and SHFE registered warehouses and sluggish demand from China would cap sharp upside in prices.
- MCX Copper is expected to rise further towards 900 level as long as it stays above 875 level
- Aluminium is expected to move north towards 245 level as long as it stays above 240 level (20-Day EMA).

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$77 level amid soft dollar following weaker than expected job data and rise in risk appetite in the global markets. Further, prices may move higher on expectations that US Federal Reserve will follow ECB and BOC and cut its key interest rate in September and then once more in this year. Moreover, OPEC+ ministers comforted investors by signaling that latest oil output agreement could change depending on the market. NYMEX Crude oil is likely to rise further towards \$77 (20-Day EMA) as long as it trades above \$74 level
- MCX Crude oil June is likely to rise further towards 6450 level (20-Day EMA) as long as it stays above 6200 level
- MCX Natural gas June is expected to rise further towards 240 level as long as its stays above 228 level amid US weather forecasts turned warmer

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	72356	72743	73026	73413	73696
Silver	89791	91803	92852	94864	95913
Copper	868.2	875.0	879.0	885.8	889.8
Aluminium	238.5	240.1	241.4	243.0	244.4
Zinc	257.3	259.6	260.9	263.1	264.4
Lead	188.3	189.1	190.0	190.8	191.7
Crude Oil	6146	6236	6284	6374	6422
Nat Gas	222	228	234	240	246

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	83.28	83.41	83.49	83.62	83.70
US\$INR (July)	83.46	83.54	83.58	83.67	83.71
EURINR (June)	90.63	90.74	90.81	90.92	90.99
EURINR (July)	90.73	90.90	90.88	91.05	91.03
GBPINR (June)	106.32	106.48	106.62	106.78	106.92
GBPINR (July)	106.08	106.28	106.42	106.62	106.75
JPYINR (June)	53.47	53.57	53.55	53.64	53.62
JPYINR (July)	53.41	53.52	53.73	53.84	54.05

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.10	104.27	-0.16%
US\$INR	83.48	83.38	0.12%
EURUSD	1.0890	1.0869	0.19%
EURINR	90.82	90.68	0.16%
GBPUSD	1.2791	1.2787	0.03%
GBPINR	106.72	106.53	0.18%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.011	7.027	0.00
US	4.287	4.276	0.00
Germany	2.549	2.512	0.01
UK	4.174	4.184	0.00
Japan	0.964	1.017	-0.05

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
5/1/2024	8:00 PM	7.3M	-2.3M
4/25/2024	8:00 PM	-6.4M	1.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	122200	2200	1.83%
Aluminium	1107500	-3800	-0.34%
Zinc	260775	3125	1.21%
Lead	182550	2100	1.16%
Nickel	84756	36	0.04%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 03, 2024						
7:15 AM	China	Caixin Manufacturing PMI	51.70	51.60	51.40	Medium
1:30 PM	Europe	Final Manufacturing PMI	47.30	51.30	51.30	Medium
2:00 PM	UK	Final Manufacturing PMI	51.20	51.30	51.30	Medium
7:15 PM	US	Final Manufacturing PMI	51.30	50.90	50.90	High
7:30 PM	US	ISM Manufacturing PMI	48.70	49.80	49.20	High
Tuesday, June 04, 2024						
1:25 PM	Europe	German Unemployment Change	25k	7k	10k	Medium
7:30 PM	US	JOLTS Job Openings	8.06M	8.4M	8.49M	High
Wednesday, June 05, 2024						
1:30 PM	Europe	Final Services PMI	53.20	53.30	53.30	Medium
2:00 PM	UK	Final Services PMI	52.90	52.90	52.90	Medium
5:45 PM	US	ADP Non-Farm Employment Change	152k	175k	192k	High
7:30 PM	US	ISM Services PMI	53.80	51.00	49.40	High
8:00 PM	US	Crude Oil Inventories	1.2M		(-4.2)M	Medium
Thursday, June 06, 2024						
2:00 PM	UK	Construction PMI	54.70	52.50	53.00	Medium
5:45 PM	Europe	Main Refinancing Rate	4.25%	4.25%	4.50%	High
6:00 PM	US	Unemployment Claims	229k	215k	219k	Medium
6:15 PM	Europe	ECB Press Conference	-	-	-	High
8:00 PM	US	Natural Gas Storage	98B	89B	78B	Medium
Friday, June 07, 2024						
Tentative	China	Trade Balance	-	72.2B	72.4B	Medium
10:00 AM	India	RBI Interest Rate Decision	-	6.5%	6.5%	High
11:30 AM	Europe	German Industrial Production m/m	-	0.1%	-0.4%	Medium
2:30 PM	Europe	Revised GDP q/q	-	0.3%	0.3%	Medium
6:00 PM	US	Average Hourly Earnings m/m	-	0.3%	0.2%	High
6:00 PM	US	Non-Farm Employment Change	-	185k	175k	High
6:00 PM	US	Unemployment Rate	-	3.9%	3.9%	High



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