

September 10, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	October	Buy	71300-71330	71850	71000	Intraday

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News and Developments

- Gold prices regained strength after last weeks decline amid growing prospects of lower interest rates from Federal Reserve and other major central banks. Further, safe haven buying and physical buying from central banks also supported the precious metals to trade higher.
- Dollar index traded higher amid better than expected US economic numbers. US July wholesale trade sales rose 1.1% m/m, stronger than expectations of 0.3% m/m and the largest increase in 5 months. Further, diminishing bets of 50 bps interest rate cut in September also supported the dollar to edge higher
- US 10-year year treasury yields edged higher at 3.70%, where as 2-year treasury yields settled lower at 3.67% on Monday.
- NYMEX crude oil prices rebounded from its multi-month lows amid growing concerns over production disruption from Gulf of Mexico as tropical storm Francine is expected to strengthen into hurricane. Gulf Coast, where 20% of US crude production is produced and 48% of US petroleum refining capacity is located. Meanwhile, strong dollar and sluggish demand from China checked its upside.
- Base metals took a pause in its decline and traded higher amid growing prospects of interest rate cut by the Federal Reserve. Further, improved demand in China also supported the metal to trade higher. Meanwhile, weakness in the PPI numbers and small rise in the CPI data from China checked its upside.
- NYMEX natural gas pared all its gains and lost more than 4% amid demand concerns as the storm is expected to hit Louisiana this week leading to lower demand from energy providers. Further, disruption of LNG exports also weighed on gas prices.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71628	0.28%	2506.38	0.36%
Silver	83645	1.07%	28.35	1.47%
Copper	790.9	1.14%	9097.00	1.12%
Aluminium	221.0	1.54%	2350.50	0.36%
Zinc	255.6	0.73%	2731.00	0.50%
Lead	181.5	0.25%	1953.00	-0.51%
WTI Crude Oil	5776	1.26%	68.71	1.54%
US Nat Gas	182.4	-4.50%	2.17	-4.62%

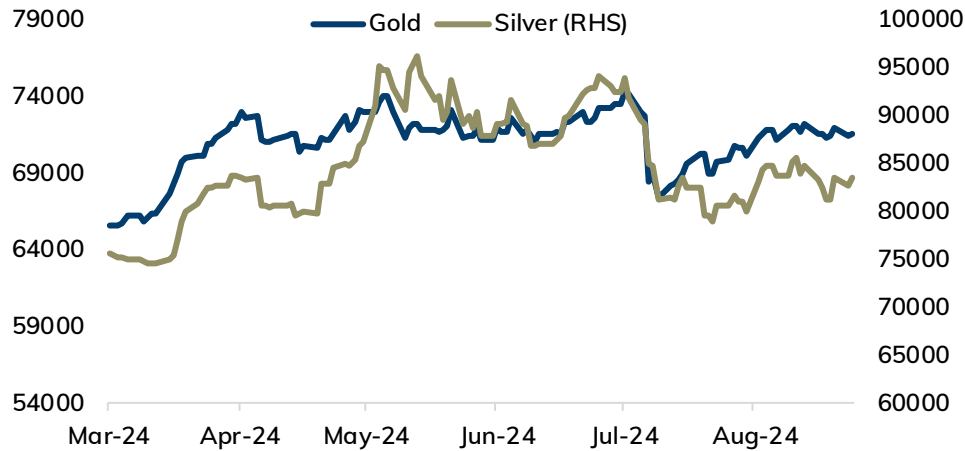
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th September)	84.01	0.00%	2049635	1068	87544	-15500
EURINR (26th September)	92.89	-0.55%	40852	-729	4506	3357
GBPINR (26th September)	109.94	-0.61%	51780	-4957	8320	7005

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	September	Sell	786-787	774	792	Stop Loss Triggered

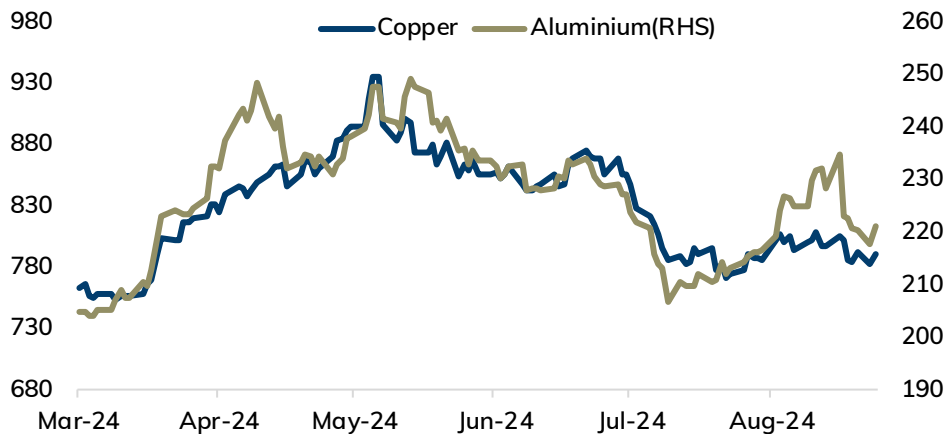
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to consolidate in the band of \$2490 and \$2530 with a higher bias amid growing prospects of loose monetary policy from major central banks. Additionally, strong demand from over the counter and ETF inflows would provide support to the bullions. Meanwhile, investors are waiting for key US CPI data to get more clarity on the quantum of interest rate cut by the Fed. Today's focus will remain of Fed members' speech which could bring more clarity in its direction.
- MCX Gold Oct is expected to consolidate in the band of 72,000 and 71,000. Only close below 71,000 it would turn weaker towards 70,600.
- 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.

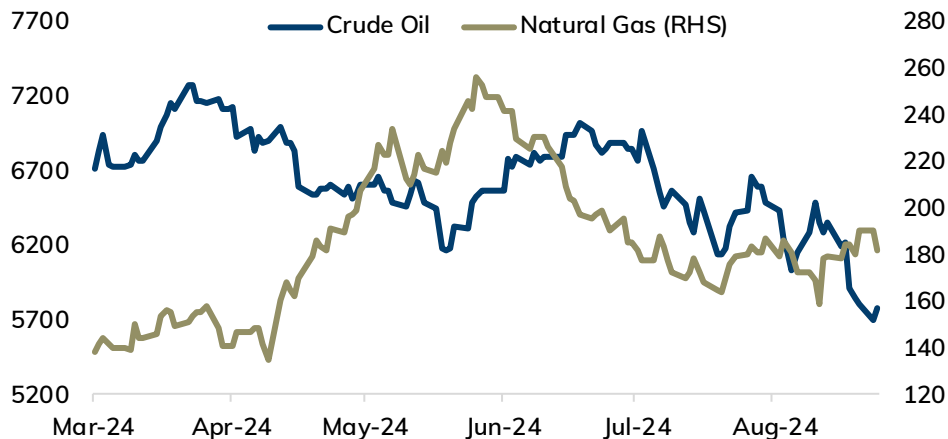
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade higher on growing bets of fresh round of stimulus from China after the inflation data indicated sluggish demand growth in the economy. Further rise in Yangshan copper premium to one-month high indicates improving demand in China. Meanwhile increasing inventory levels in LME and strong dollar would limit its upside. Focus will remain on trade balance data from China and new loan numbers which could bring further clarity
- MCX Copper September is expected to move towards the key resistance at 800, as long as it holds above 784. Only a move below 784 it would open the doors towards 778.
- 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 in a range as supply disruptions from storm Francine could offset the demand worries. Upside in the oil prices could be capped due to sluggish demand growth from China as its shift towards lower-carbon fuels. Further declining utilization rate of refineries would also weigh on the oil prices. Meanwhile, delay in OPEC+'s planned production hikes could provide some support to oil prices. On the upside \$70 would act as major resistance for price. Similarly \$67 would act as strong support for prices. Closure of OTM and ATM put strike indicates weakness in the prices. A higher call base at 70 strikes would act as key resistance for prices.
- MCX Crude oil Sep is likely to consolidate in the band of 5680 and 5900 with an higher bias. Only close below 5680 it would test 5580.
- MCX Natural gas September is likely to weaken towards 175, as long as it trades under 190. Halt in exports and expectation of lower domestic demand would hurt prices.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70912	71270	71485	71843	72058
Silver	81710	82677	83219	84186	84728
Copper	774.0	782.4	788.4	796.8	802.8
Aluminium	215.7	218.3	219.8	222.4	223.9
Zinc	250.3	252.9	255.1	257.7	259.9
Lead	179.7	180.6	181.2	182.1	182.8
Crude Oil	5615	5696	5747	5828	5879
Nat Gas	177	179	185	188	193

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	83.96	83.98	84.00	84.03	84.04
US\$INR (Oct)	84.02	84.05	84.09	84.12	84.15
EURINR (Sep)	92.36	92.63	93.09	93.36	93.82
EURINR (Oct)	92.75	92.88	93.09	93.21	93.42
GBPINR (Sep)	109.50	109.72	110.10	110.32	110.70
GBPINR (Oct)	109.71	109.86	110.16	110.31	110.61
JPYINR (Sep)	58.27	58.40	58.63	58.76	58.99
JPYINR (Oct)	58.33	58.47	58.63	58.77	58.93

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	101.55	101.18	0.37%
US\$INR	83.96	83.95	0.01%
EURUSD	1.1035	1.1084	-0.44%
EURINR	92.84	93.31	-0.50%
GBPUSD	1.3074	1.3129	-0.42%
GBPINR	109.90	110.61	-0.63%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.854	6.855	0.00
US	3.700	3.708	-0.01
Germany	2.168	2.172	0.00
UK	3.856	3.886	-0.03
Japan	0.901	0.854	0.05

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	316450	-1125	-0.35%
Aluminium	834850	1425	0.17%
Zinc	236550	-1825	-0.77%
Lead	177000	-525	-0.30%
Nickel	121656	-60	-0.05%

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	-	95.5K	135K	High
11:30 AM	UK	Average Earnings Index 3m/y	-	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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