

September 2, 2024

# Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	September	Sell	6260-6270	6100	6350	Intraday

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## News and Developments

- Gold prices traded lower on Friday amid rise in US dollar and treasury yields after the key US PCE price index numbers remained steady at 2.5% (YoY) while personal spending and income increased. The data tempered the expectation of bigger interest rate cut in September.
- Dollar index extended its gains for 3<sup>rd</sup> day in a row after better than expected US personal spending and core PCE report dampened the speculation of bigger interest rate cut in September. US July personal spending rose 0.5% m/m, right on expectations. July personal income rose 0.3% m/m, stronger than expectations of 0.2% m/m.
- US 10-year US treasury yields also rose for the 5<sup>th</sup> day in row and hit 3.90% mark, amid improved US economic number and diminishing bets of 50 bps rate cut in September. 2-year yields edged higher to 3.92%.
- NYMEX crude oil prices witnessed sharp decline on Friday amid reports that OPEC+ will proceed with planned output hike in the fourth quarter. Further, strong dollar and demand concerns from China also weighed on the oil prices to slide below \$74 mark. Eight OPEC+ members are set to boost output by 180000 bpd in October.
- Base metals prices pared its earlier gains amid strong dollar. Fading hopes of 50 bps interest rate cut in September has checked the upside in the metals. Further, most investors awaited key manufacturing data from China for further clarity.
- NYMEX natural gas prices remained in a range after recovering from its weekly lows as forecast of moderate US temperature has reduced the heating demand.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71611	-0.80%	2503.39	-0.71%
Silver	83285	-1.87%	28.86	-1.89%
Copper	806.0	-0.19%	9235.00	-0.10%
Aluminium	225.4	-0.86%	2447.00	-0.43%
Zinc	268.7	0.19%	2897.00	0.66%
Lead	185.8	-0.08%	2053.00	0.86%
WTI Crude Oil	6203	-2.50%	73.55	-3.11%
US Nat Gas	210.7	-0.80%	2.13	-0.47%

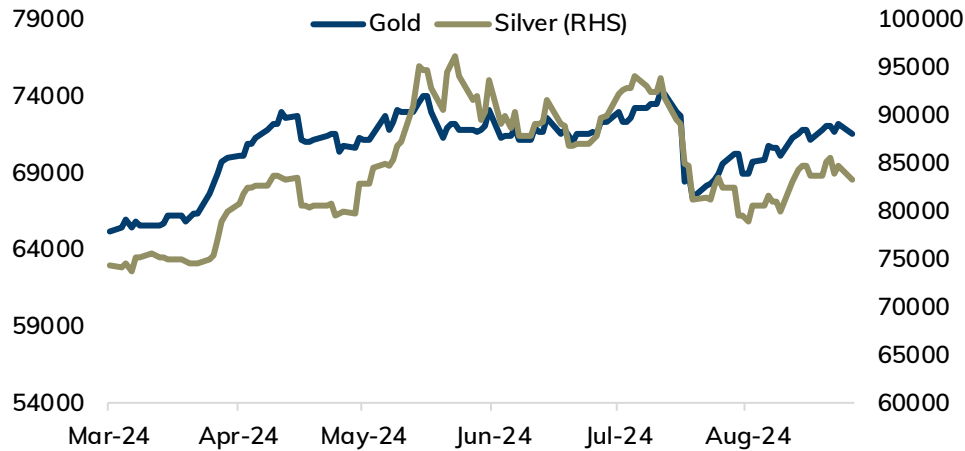
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th September)	83.90	-0.05%	1468814	27648	131196	-31801
EURINR (26th September)	93.09	-0.21%	43662	-4294	6014	-2000
GBPINR (26th September)	110.47	-0.14%	56344	7152	8626	4920

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	September	Buy	6330-6340	6480	6240	Stop Loss Triggered

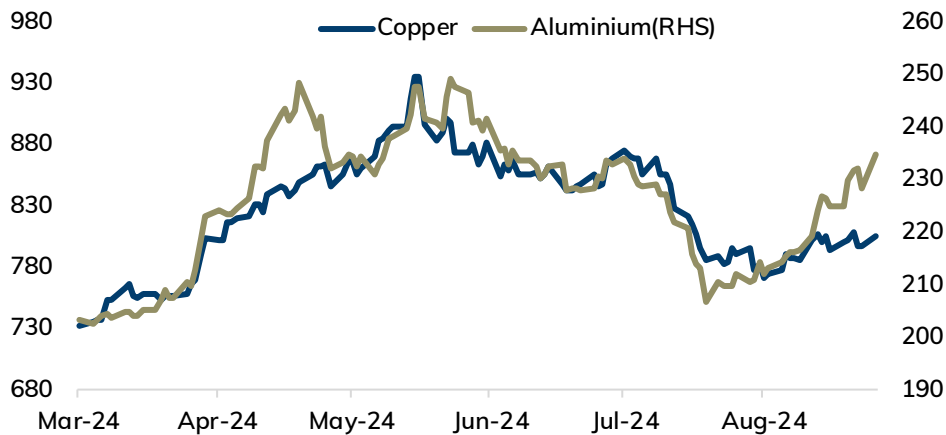
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to face the hurdle near \$2530 and move lower towards \$2490 amid strong dollar. Better than expected economic numbers from US has lowered the probability of 50 bps interest rate cut, which could limit the upside in the bullions. Meanwhile, safe haven buying due to the ongoing tension in the Middle East would provide some support to the bullions. Further, continuous increase in net longs in COMEX gold futures indicates strength in the commodity. On the other hand, a strong call base near 2550 call strike indicates a stiff resistance for the yellow metal.
- MCX Gold Oct has failed to breach the multiple resistance at 72300. Price is expected to trade lower towards 71,500. A move below 71,500 would weaken the price further towards 71,000.
- Spot silver is hovering near the 20 day EMA at \$29.00. A move below \$28.60 would weaken it towards \$28.20. MCX Silver December is expected to weaken towards 84,100 as long as it trades under 86,500.

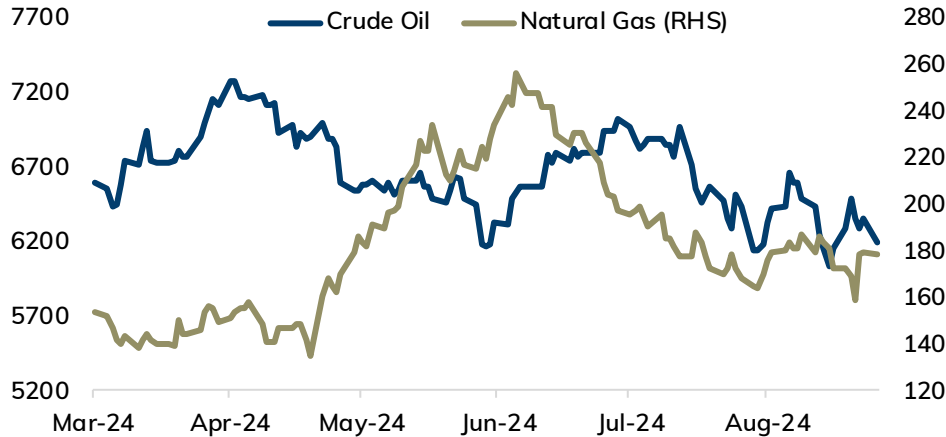
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to remain under pressure amid demand concerns from the top metal consumer China after weekend data suggests contraction in the manufacturing activity. China's factory activity contracted for the fourth month in a row in August. Further, rising LME inventories and strong dollar would hurt prices. Meanwhile, improved risk sentiments amid prospects of soft landing in US economy could provide some support to the red metals and limit its downside.
- MCX Copper September is expected to face to hurdle near 814 and move lower towards 799. A move below 799, would weaken further towards 792.
- MCX Aluminium is expected to face the hurdle near 230 and weaken towards 224. Declining cash to 3-month premium indicates fading supply issues and rise in inventories.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to trade lower amid production hike concerns from OPEC+ members since October. Eight members are set to increase the output by 180,000 bpd keeping other cuts in place until end of 2025. Moreover, weaker manufacturing activity in China indicates sluggish growth and would weaken the demand outlook. Meanwhile, OI concentration in ATM call strikes and OTM calls indicates price to face stiff resistance near \$75.
- MCX Crude oil Sep is likely trade lower towards 6050, as long as it trades under 6430. Formation of bearish engulfing pattern on the daily charts indicates weakness in prices.
- MCX Natural gas September is likely to hold the support near 174 and rebound towards the 10-day EMA at 184. Above 184, it would rise towards 190.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71099	71355	71777	72033	72455
Silver	81735	82510	83710	84485	85685
Copper	797.6	801.8	808.2	812.4	818.8
Aluminium	222.2	223.8	226.6	228.2	231.1
Zinc	265.7	267.2	269.3	270.8	272.9
Lead	184.1	185.0	186.2	187.0	188.2
Crude Oil	6016	6110	6270	6364	6524
Nat Gas	206	208	211	214	217

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	83.84	83.87	83.91	83.94	83.98
US\$INR (Oct)	83.93	83.97	84.03	84.07	84.14
EURINR (Sep)	92.92	93.00	93.09	93.17	93.26
EURINR (Oct)	92.68	92.91	93.05	93.28	93.42
GBPINR (Sep)	110.21	110.34	110.51	110.64	110.81
GBPINR (Oct)	110.01	110.24	110.47	110.70	110.93
JPYINR (Sep)	57.87	57.99	58.15	58.27	58.42
JPYINR (Oct)	58.49	58.51	58.53	58.55	58.57

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	101.70	101.34	0.35%
US\$INR	83.87	83.87	0.00%
EURUSD	1.1048	1.1077	-0.26%
EURINR	92.95	93.06	-0.12%
GBPUSD	1.3127	1.3168	-0.31%
GBPINR	110.58	110.65	-0.07%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.864	6.864	0.00
US	3.903	3.862	0.01
Germany	2.299	2.274	0.01
UK	4.015	4.019	0.00
Japan	0.898	0.899	0.00

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
7/17/2024	8:00 PM	-4.9M	-0.9M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	320925	-2025	-0.63%
Aluminium	852150	-4575	-0.53%
Zinc	244775	-1550	-0.63%
Lead	181225	-1525	-0.83%
Nickel	118998	1464	1.25%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, September 2, 2024						
7:15 AM	China	Caixin Manufacturing PMI	50.4	50	49.8	Medium
1:30 PM	Europe	Final Manufacturing PMI	-	45.6	45.6	Medium
Tuesday, September 3, 2024						
7:30 PM	US	ISM Manufacturing PMI	-	47.5	46.8	High
7:30 PM	US	ISM Manufacturing Prices	-	52.5	52.9	Medium
Wednesday, September 4, 2024						
7:15 AM	China	Caixin Services PMI	-	52.1	52.1	Medium
7:30 PM	US	JOLTS Job Openings	-	8.00M	8.18M	High
7:30 PM	US	Factory Orders m/m	-	4.50%	-3.30%	Medium
11:30 PM	US	Beige Book	-	-	-	Medium
Thursday, September 5, 2024						
2:00 PM	UK	Construction PMI	-	54.6	55.3	Medium
2:30 PM	Europe	Retail Sales m/m	-	0.10%	-0.30%	Medium
5:45 PM	US	ADP Non-Farm Employment Change	-	136K	122K	High
6:00 PM	US	Unemployment Claims	-	229K	231K	High
7:30 PM	US	ISM Services PMI	-	50.9	51.4	High
8:00 PM	US	Natural Gas Storage	-	-	35B	Medium
8:30 PM	US	Crude Oil Inventories	-	-	-0.8M	Medium
Friday, September 6, 2024						
11:30 AM	Europe	German Industrial Production m/m	-	-0.40%	1.40%	Medium
11:30 AM	UK	Halifax HPI m/m	-	0.20%	0.80%	Medium
6:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.20%	High
6:00 PM	US	Non-Farm Employment Change	-	164K	114K	High
6:00 PM	US	Unemployment Rate	-	4.20%	4.30%	High
6:15 PM	US	FOMC Member Williams Speaks	-	-	-	Medium



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