

December 5, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	December	Buy	819.50-820	827	816	Intraday

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News and Developments

- Spot gold prices edged higher on Wednesday amid weakness in dollar and on safe haven demand from global geopolitical unrest. Political unrest in South Korea and France has supported the bullions. Further, less than expected rise in US private payrolls also supported the bullions to trade higher.
- Silver prices gained the most and rallied almost 1% amid softness in the dollar and improved manufacturing activity in China.
- U.S dollar index gave up early gains and traded lower after US ADP employment change rose less than expected and November ISM service index fell for the first time in 3-months. The US Nov ADP employment change rose +146,000, slightly weaker than expectations of +150,000, and Oct was revised lower to +184,000 from the previously reported +233,000.
- US treasury yield traded lower yesterday following the weaker than expected ISM service PMI numbers, which marked its slowest growth in last 3-months. Short-term yields lost the most as the December rate cut probability soared to 74% from 66% a week ago.
- NYMEX Crude oil prices pared all its gains despite a drop in weekly crude oil inventory. Last week EIA has reported a drop of 5.1M barrels, but gains in gasoline stocks has outweighed supply concerns and weakened it further towards \$69 mark. Meanwhile, sanction on Iranian oil and softness in the dollar limited its downside.
- Base metal prices traded higher on Wednesday amid hopes of fresh round of stimulus from China. Further, softness in the dollar and improved risk sentiments also supported the metals to trade higher.
- NYMEX Natural gas prices rebounded from its 2-week lows, but edged lower amid mild weather forecast in US.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	77092	0.25%	2649.9	0.24%
Silver	93293	1.19%	31.30	0.86%
Copper	821.9	-0.08%	9083.0	-0.31%
Aluminium	246.0	0.90%	2646.5	1.42%
Zinc	287.4	0.09%	3099.0	0.11%
Lead	182.3	0.00%	2086.5	0.34%
WTI Crude Oil	5848	-1.37%	68.54	-2.00%
US Nat Gas	258.7	-0.12%	3.04	0.03%

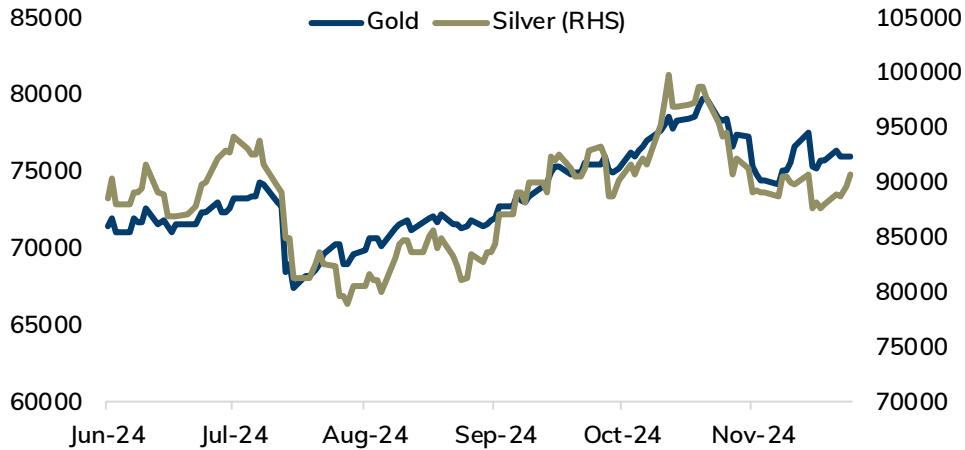
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th December)	84.87	0.08%	3358675	2870	141281	-324665
EURINR (27th December)	89.24	-0.14%	10618	706	2910	1477
GBPINR (27th December)	107.66	0.15%	27124	2607	6649	-5184

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	December	Buy	5850-5860	5780	6000	Exit in Loss

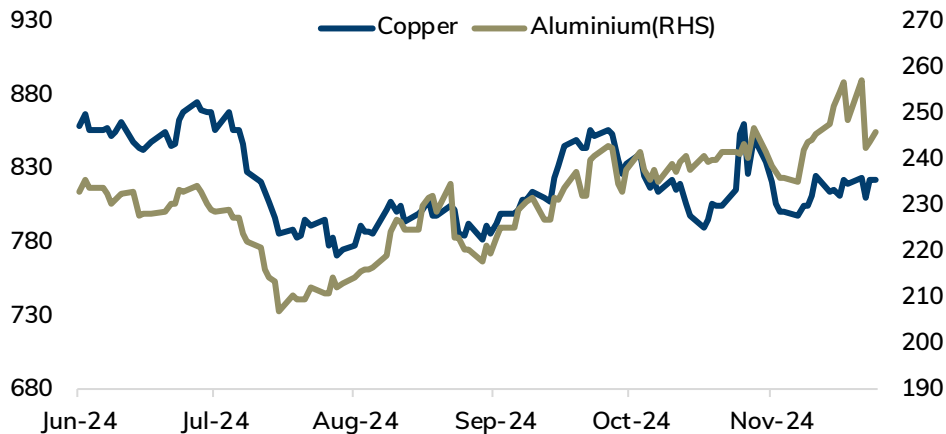
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to face the hurdle near \$2665 and move lower towards \$2620 amid stronger dollar. Cautious approach from the Fed on rate reduction due to strong economic numbers would reduce the chance of rate reduction in 2025. Steady job growth numbers and drop in unemployment claims data could also check any upside movement in the bullions. Meanwhile, trade worries and escalating geopolitical tension could bring safe haven demand and limit its downside.
- Spot gold is likely to move in the band of \$2620 and \$2665 with a tilt towards south. Only a move above \$2665 would open the doors towards \$2685. On the contrary, below \$2620 it would slip towards \$2600. MCX Gold February is expected to consolidate between 76,000 and 77,000. Below 76,000 it would weaken further towards 75,500.
- MCX Silver March is expected to move towards 94,200, as long as it trades above 20 day EMA support of 91,000.

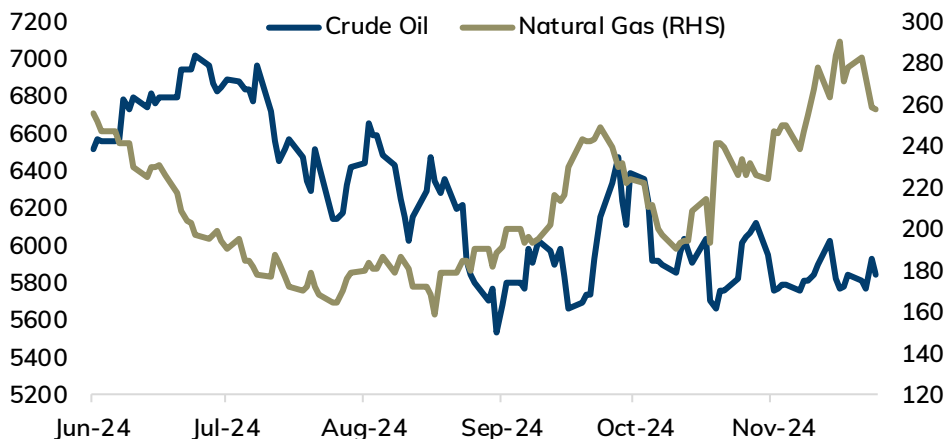
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade in a tight range ahead of the Politburo meeting. Growing hopes of fresh round of stimulus from China to support the growth and improved risk sentiments would support the metal to regain its strength. On the other hand strong dollar and trade war uncertainties would limit its upside. Further, slowdown in imports and decline in premiums indicates sluggish growth in domestic consumption
- MCX Copper December is expected to hold the support of 20 day EMA 816 and move higher towards 827. Reversal in the oscillator would also indicates an upward movement in the red metal.
- Aluminum is expected hold above 243 and move towards 248 amid higher global premiums and supply concerns from China.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to find the support near \$68 and move towards \$70 amid growing bets that OPEC+ will delay its output rise. Further, improved economic numbers from US and escalating geopolitical tension would provide support to oil prices. Furthermore, sanction on Iranian oil by US and hopes of fresh round of stimulus from China would also provide support to oil prices.
- On the data front, higher OI concentration observed in the \$70 strike call, which could act as major resistance. Further, a bearish cross over of 20 and 50 day EMA indicates price to face the hurdle near \$70 and move towards \$68. MCX Crude oil December is likely to consolidate in the band of 5780 and 6000. Only above 6000 it would turn bullish.
- Natural gas December future is expected to recover on colder weather forecast in US. MCX December future is expected to rise towards 264, as long as it holds above 250.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	76385	76738	76984	77337	77583
Silver	90385	91839	92736	94190	95087
Copper	814.0	817.9	821.0	824.9	828.0
Aluminium	242.2	244.1	245.4	247.3	248.6
Zinc	285.1	286.2	287.4	288.5	289.7
Lead	181.3	181.8	182.1	182.6	182.9
Crude Oil	5728	5788	5886	5946	6044
Nat Gas	249	254	258	263	267

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Dec)	84.73	84.80	84.84	84.91	84.95
US\$INR (Jan)	84.77	84.90	84.98	85.11	85.18
EURINR (Dec)	88.96	89.10	89.24	89.38	89.52
EURINR (Jan)	91.00	90.50	91.00	90.50	91.00
GBPINR (Dec)	106.84	107.25	107.55	107.96	108.26
GBPINR (Jan)	107.69	108.01	107.69	108.01	107.69
JPYINR (Dec)	56.81	56.90	57.05	57.14	57.29
JPYINR (Jan)	58.23	57.47	58.23	57.47	58.23

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	106.32	106.37	-0.04%
US\$INR	84.74	84.69	0.05%
EURUSD	1.0511	1.0509	0.02%
EURINR	88.99	89.10	-0.13%
GBPUSD	1.2701	1.2673	0.22%
GBPINR	107.42	107.37	0.05%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.685	6.712	-0.03
US	4.180	4.225	-0.04
Germany	2.061	2.054	0.01
UK	4.249	4.243	0.01
Japan	1.066	1.081	-0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
04-12-2024	9:00 PM	-5.1M	-1.6M
27-11-2024	9:00 PM	-1.8M	-1.3M
20-11-2024	9:00 PM	0.5M	-0.1M
14-11-2024	9:00 PM	2.1M	0.4M
06-11-2024	9:00 PM	2.1M	0.3M
30-10-2024	8:00 PM	-0.5M	1.5M
23-10-2024	8:00 PM	5.5M	0.9M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	268500	-125	-0.05%
Aluminium	689725	-975	-0.14%
Zinc	278100	100	0.04%
Lead	271525	0	0.00%
Nickel	164652	222	0.14%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, December 2, 2024						
7:15 AM	China	Caixin Manufacturing PMI	51.5	50.6	50.3	Medium
8:30 PM	US	ISM Manufacturing PMI	48.4	47.7	46.5	High
Tuesday, December 3, 2024						
8:30 PM	US	JOLTS Job Openings	7.74M	7.49M	7.44M	High
Wednesday, December 4, 2024						
7:15 AM	China	Caixin Services PMI	51.5	52.5	52	Medium
6:45 PM	US	ADP Non-Farm Employment Change	146K	166K	233K	High
8:30 PM	US	ISM Services PMI	52.1	55.5	56	High
9:00 PM	US	Crude Oil Inventories	-5.1M	-	-1.8M	Medium
Thursday, December 5, 2024						
12:15 AM	US	Fed Chair Powell Speaks	-	-	-	High
12:30 PM	Europe	German Factory Orders m/m	-	-2%	4.20%	Medium
3:00 PM	UK	Construction PMI	-	53.5	54.3	Medium
All Day	All	OPEC-JMMC Meetings	-	-	-	High
7:00 PM	US	Unemployment Claims	-	215K	213K	High
9:00 PM	US	Natural Gas Storage	-	-	-2B	Medium
Friday, December 6, 2024						
12:30 PM	Europe	German Industrial Production m/m	-	1%	-2.50%	Medium
7:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.40%	High
7:00 PM	US	Non-Farm Employment Change	-	202K	12K	High
7:00 PM	US	Unemployment Rate	-	4.20%	4.10%	High
8:30 PM	US	Prelim UoM Consumer Sentiment	-	73.1	71.8	Medium



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