

October 10, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Silver Micro	November	Sell	89100-89200	88300	89600	Intraday

### Research Analysts

**Jay Thakkar**  
jay.thakkar@icicisecurities.com

**Raj Deepak Singh**  
rajdeepak.singh@icicisecurities.com

**Saif Mukadam**  
saif.mukadam@icicisecurities.com

**Anup Sahu**  
anup.sahu@icicisecurities.com

## News and Developments

- Spot gold prices ended on negative note losing 0.5% on strong dollar and advancing US treasury yields. Further, prices dipped on diminishing hopes for hefty rate cut from US Federal Reserve in November meeting.
- Silver prices declined by 0.44% yesterday on negative carryover from a slide in base metal prices. Further, it slipped after FOMC meeting minutes
- Dollar rises to 2-month high as FOMC meeting minutes showed Fed policymakers were divided on size of rate cut. Substantial officials agreed to jumbo rate cut in September but some said they would have preferred a 25 bps cut. Moreover, minutes showed that policymakers even agreed that the initial move would not commit the Fed to any particular pace of rate reductions in the future
- US Treasury yields rose as investors continued to price in a less aggressive monetary easing cycle from the Federal Reserve. Further, boosted by a weaker than expected auction of 10-year notes. Additionally, yields moved north on comments from Dallas Fed President Logan, who said she favored a gradual pace of Fed easing. The benchmark US Treasury 10-year yield rose to 4.075%, while 2-year treasury yield, which typically moves in step with interest rate expectations increased to 4.026%.
- Crude oil prices settled lower yesterday losing almost 1% on firm dollar and larger than expected jump in US crude oil inventories. EIA data showed oil stockpiles grew by 5.8 million barrels past week. However, fall in oil products inventories cushioned further downside in prices. Product inventories fell more than expected, with gasoline down 6.3M barrels and distillates down 3.1M barrels
- Copper prices continued to trade with negative bias losing more than 1% yesterday amid strong dollar and growing expectations of a less aggressive easing campaign from the Federal Reserve

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	74934	-0.30%	2607.77	-0.54%
Silver	88872	0.16%	30.50	-0.54%
Copper	841.3	-0.88%	9675.00	-0.69%
Aluminium	235.1	-0.82%	2541.00	-1.17%
Zinc	277.7	-1.46%	3020.00	-2.30%
Lead	183.4	-0.73%	2062.00	-1.95%
WTI Crude Oil	6119	-2.00%	73.24	-0.45%
US Nat Gas	222.7	-3.93%	2.66	-2.67%

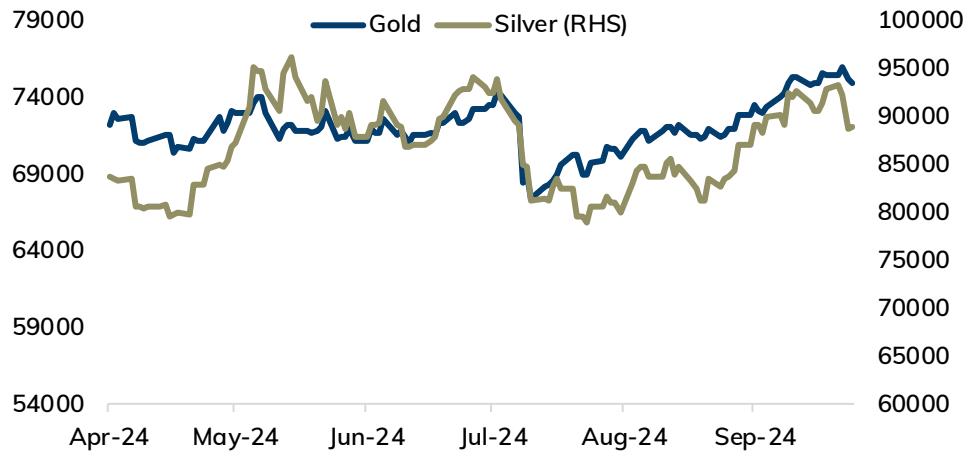
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th October)	84.04	0.00%	2595018	-39196	122168	45343
EURINR (29th October)	92.18	-0.22%	28675	-540	1420	561
GBPINR (29th October)	109.94	-0.09%	24702	-841	6060	3039

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	October	Sell	233-234	225	238	Not Initiated

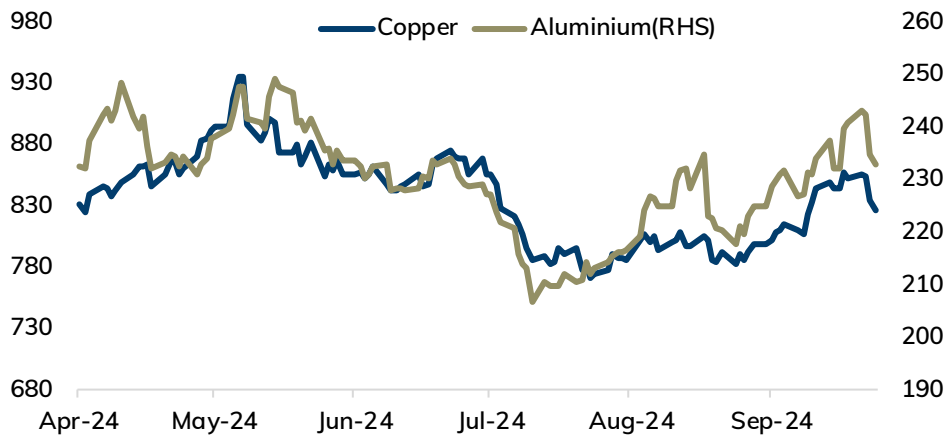
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected to break psychological support of \$2600 level and dip further towards \$2580 level on strong dollar and rise in US treasury yields across curve following release of FOMC meeting minutes. Previous week strong job data and yesterday's FOMC meeting minutes cemented hopes that US Fed would take gradual approach towards rate cut. Moreover, investors will remain cautious ahead of inflation report and initial jobless claims data to gain further clarity of Fed monetary policy stance.
- Spot Gold is likely to slip further towards \$2580 level as long as it stays below \$2620 level. MCX Gold December is expected to move further south towards 74,550 level as long as it trades below 75,250 level.
- Spot Silver is expected to dip further towards \$30 level as long as it stays below \$30.90 level (20-Day EMA). MCX Silver December is expected to decline further towards 87,500 level as long as it trades below 90,000 level (20-Day EMA). A break below 87500 it would slip further towards 86,200

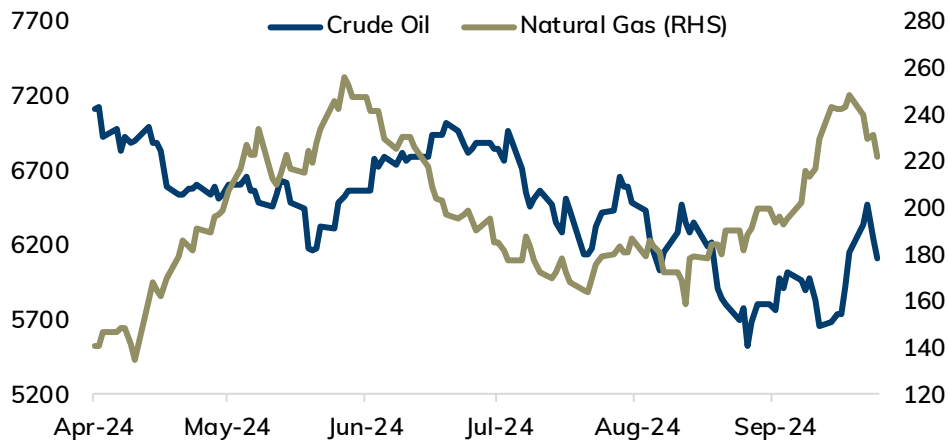
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to recover amid rise in risk appetite in the global markets following expectations that major central banks across globe would further ease monetary policy to revive economic growth. Moreover, China's finance ministry called a press conference for Saturday on fiscal policy, raising expectations of additional stimulus. Moreover, Chinese authorities has announced plans to speed up special purpose bond issuances to support economic growth
- MCX Copper October is expected to hold the support near 820 level and rise back towards 840 level. A break above 840 prices would rally further towards 850 level
- MCX Aluminium is expected to move back towards 236 level as long as it stays above 231 level

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$75 level amid escalating tension in Middle East and concerns over supply disruption due to Hurricane Milton in US. Further, prices may rally on larger than expected drawdowns in gasoline and distillates stocks. Moreover, investors fear that if Israel attacks on Iranian oil infrastructure then it would escalate the conflict further jeopardizing the supply from major exporting countries. Additionally, China's main information office said the finance ministry will point plans on fiscal stimulus to boost the economy at a news conference
- MCX Crude oil is likely to hold the support near 6010 level and rise back towards 6270 level. A break above 6270 prices may rise further towards 6370 level
- MCX Natural gas October is expected to slip further towards 216 level as long as it trades below 229 level.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	74547	74740	75038	75231	75529
Silver	87589	88231	88922	89564	90255
Copper	825.0	833.1	844.7	852.9	864.5
Aluminium	229.8	232.4	235.2	237.9	240.7
Zinc	270.4	274.0	278.8	282.4	287.2
Lead	181.7	182.5	183.3	184.2	185.0
Crude Oil	5885	6002	6129	6246	6373
Nat Gas	217	220	225	227	232

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	83.96	84.00	84.02	84.06	84.08
US\$INR (Nov)	84.10	84.13	84.14	84.17	84.19
EURINR (Oct)	91.91	92.05	92.19	92.33	92.47
EURINR (Nov)	92.33	92.62	92.50	92.79	92.67
GBPINR (Oct)	109.52	109.73	109.92	110.13	110.31
GBPINR (Nov)	109.72	109.85	109.92	110.05	110.12
JPYINR (Oct)	56.48	56.58	56.73	56.83	56.97
JPYINR (Nov)	56.89	56.95	56.89	56.95	56.89

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	102.93	102.55	0.37%
US\$INR	83.96	83.96	0.00%
EURUSD	1.0939	1.0980	-0.37%
EURINR	92.08	92.26	-0.20%
GBPUSD	1.3071	1.3104	-0.25%
GBPINR	109.89	109.94	-0.05%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.768	6.807	-0.04
US	4.073	4.012	0.06
Germany	2.257	2.243	0.01
UK	4.180	4.184	0.00
Japan	0.935	0.927	0.01

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
10/9/2024	8:00 PM	5.8M	2.0M
10/2/2024	8:00 PM	3.9M	-1.5M
9/25/2024	8:00 PM	-4.5M	-1.3M
9/18/2024	8:00 PM	-1.6M	-0.2M
9/11/2024	8:00 PM	0.8M	0.9M
9/5/2024	8:30 PM	-6.9M	-0.6M
8/28/2024	8:00 PM	-0.8M	-2.7M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	294825	-1450	-0.49%
Aluminium	775275	-2500	-0.32%
Zinc	244025	1625	0.67%
Lead	196825	-1600	-0.81%
Nickel	132372	522	0.40%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, October 07, 2024						
2:00 PM	Europe	Sentix Investor Confidence	-13.8	-14.6	1-5.4	Medium
2:30 PM	Europe	Retail Sales m/m	0.20%	0.20%	0.10%	Medium
Tuesday, October 08, 2024						
11:30 AM	Europe	German Industrial Production m/m	2.90%	0.80%	-2.40%	Medium
6:00 PM	US	Trade Balance	-70.4B	-70.6B	-78.8B	Medium
Wednesday, October 09, 2024						
10:00 AM	India	RBI Interest Rate decision	6.50%	6.50%	6.50%	High
8:00 PM	US	Crude Oil Inventories	5.8M	2.0M	3.9M	Medium
11:30 PM	US	FOMC Meeting Minutes	-	-	-	High
Thursday, October 10, 2024						
6:00 PM	US	CPI y/y	-	2.30%	2.50%	High
6:00 PM	US	Unemployment Claims	-	229K	225K	High
8:00 PM	US	Natural Gas Storage	-	-	55B	Medium
Friday, October 11, 2024						
11:30 AM	UK	GDP m/m	-	0.20%	0.00%	High
11:30 AM	UK	Industrial Production m/m	-	0.20%	-0.80%	Medium
6:00 PM	US	PPI m/m	-	0.10%	0.20%	High
7:30 PM	US	Prelim UoM Consumer Sentiment	-	70.5	70.1	Medium
7:30 PM	US	Prelim UoM Inflation Expectations	-	-	2.70%	Medium



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Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,  
ICICI Securities Limited,  
Third Floor, Brillanto House,  
Road No 13, MIDC,  
Andheri (East)  
Mumbai – 400 093  
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal  
Contact number: 022-40701000 E-mail Address: [complianceofficer@icicisecurities.com](mailto:complianceofficer@icicisecurities.com)

For any queries or grievances: Mr. Bhavesh Soni Email address: [headservicequality@icicidirect.com](mailto:headservicequality@icicidirect.com) Contact Number: 18601231122

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