

August 28, 2024

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	October	Buy	71800-71850	72300	71550	Intraday

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News and Developments

- Gold prices remained near record highs on growing optimism over interest rate cut in September. Further, weak dollar and dovish comments from ECB officials supported the bullions. Meanwhile, higher global bond yields checked the upside in the bullions.
- Dollar index traded lower after US house price data indicated weakness in the housing sector as it declined by 0.1% (MoM) in July. Meanwhile, rise in US consumer confidence index to 103.30 this month from an upwardly revised 101.9 in July has limited its downside.
- US 10-year US treasury yields rose on Tuesday, as investors assessed the likelihood that the US economy will be able to avoid a recession. Meanwhile, 2-year yields remained steady near 3.92%.
- NYMEX crude oil prices pared its earlier gains and lost more than 1.5% amid demand concerns from major refiners. Further, an increase in Russian crude oil export and production also weighed on the oil prices to slide towards \$76 level. Russia's Energy Ministry reported that Russia's July crude production was 9.045 million bpd, about 67,000 bpd above the output target it agreed to with OPEC+. Meanwhile, production halt from Libya and tension in the Middle East restricted further downside.
- Copper prices hit its highest level in four-weeks amid ongoing supply risks and improving demand from top metal consumer China. Supply concerns from some major mines in Chile continued as the wage deal has not been finalized yet.
- NYMEX natural gas prices extended its weakness to 4-week lows amid higher inventory levels in US. Further, forecast of cooler weather in US also lowered the heating demand.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72122	0.08%	2524.64	0.26%
Silver	85658	0.09%	29.98	0.24%
Copper	819.1	0.65%	9448.00	1.72%
Aluminium	233.6	0.56%	2549.50	0.30%
Zinc	271.4	0.54%	2943.00	1.06%
Lead	188.9	0.37%	2124.00	0.33%
WTI Crude Oil	6353	-2.05%	75.53	-2.44%
US Nat Gas	174.2	-3.44%	1.90	-2.66%

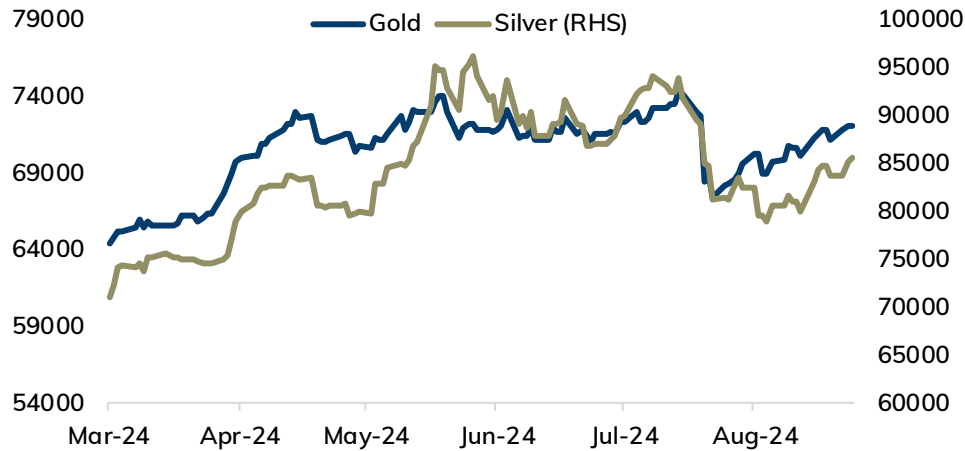
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th August)	83.93	0.03%	2140138	-244013	775221	186869
EURINR (28th August)	93.79	0.07%	13960	-6232	7899	5439
GBPINR (28th August)	111.00	0.26%	7371	-16503	18477	13269

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	October	Buy	71750-71800	72250	71500	Profit Booked

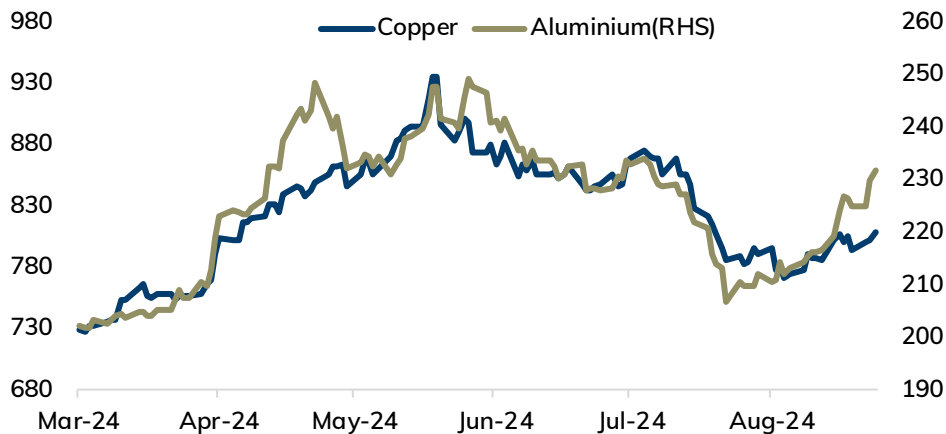
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold above \$2500 and move towards \$2535 amid loose monetary policy from major central banks and increasing geopolitical risk. Dovish comments from the Fed members and ECB members is providing enough strength to prices. Further, weaker economic numbers from US would support the bullions to trade higher. Moreover, investors will eye on key US prelim GDP and PCE price index data to get more clues. Additionally, increasing inflows into the gold ETFs and rising net longs in the futures would strengthen the yellow metal to trade higher.
- MCX Gold Oct is trading above the bullish cross over of 10 and 20 day EMA. Prices expected to hold the support near 71,700 and rise towards 72,300. Only above 72,300 it would open the doors towards 72,800.
- Spot silver is hovering near the \$30.00. A sustained move above \$30.00 would open the doors towards \$30.80. MCX Silver September is expected to hold the support near 84,500 and rise back towards 86,400.

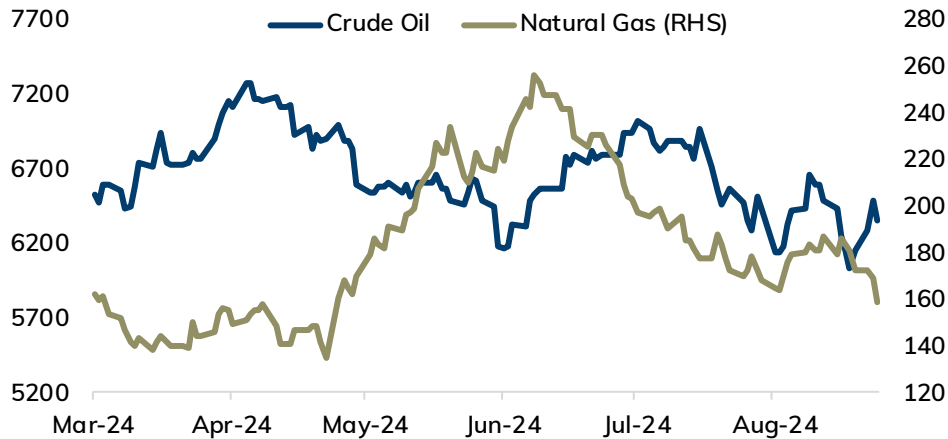
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to hold its gains amid improved risk sentiments and supply concerns from Chile. Improving local demand from China and as well rising export of cathode in July indicates demand recovery from global markets as economies are trying to shift towards industrial modernization. Further, expectation of interest rate cut from major economies would also strengthen the demand outlook of the metal. Meanwhile, higher inventory levels in LME could limit the upside in the red metal.
- MCX Copper September is expected to hold the support of 10 DEMA at 810 and extend its rise towards 821. A move above 821 would open the doors towards 826.
- MCX Aluminium is expected to hold its gains and rise towards 235, as long as it trade above 230. Increasing imports from China despite higher production will support bullishness in prices.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold the support near \$75 and move back to \$77.50 mark amid fears of broadening Middle East conflicts. Further, improved risk appetite and decline in crude oil inventories would support the oil prices to hold firm. NYMEX Crude oil is likely to rise towards \$77.5, as long as it holds above \$75. Higher OI concentration at 75 put strike indicates strong base, On the upside, higher OI concentration observed at 77 and 80 strike call which would act as major resistance.
- MCX Crude oil Sep is likely to hold the support near 6320 and rise back towards 6500. Only close below 6320, it would turn weaker towards 6240.
- MCX Natural gas September is likely to hold the support near 172 and rebound towards the 10-day EMA at 184. Meanwhile, rising gas inventories could check its upside.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71587	71855	72007	72275	72427
Silver	84632	85145	85557	86070	86482
Copper	810.2	814.7	817.5	822.0	824.8
Aluminium	228.5	231.0	232.6	235.1	236.7
Zinc	266.1	268.7	270.3	272.9	274.5
Lead	186.9	187.9	188.6	189.6	190.3
Crude Oil	6229	6291	6402	6464	6575
Nat Gas	168	171	176	179	183

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	83.89	83.91	83.93	83.95	83.97
US\$INR (Sep)	83.92	83.97	84.00	84.05	84.08
EURINR (Aug)	93.53	93.66	93.80	93.93	94.07
EURINR (Sep)	93.52	93.64	93.75	93.87	93.98
GBPINR (Aug)	110.41	110.70	110.98	111.27	111.54
GBPINR (Sep)	110.29	110.64	110.85	111.20	111.42
JPYINR (Aug)	57.66	57.79	57.94	58.08	58.23
JPYINR (Sep)	57.35	57.65	57.81	58.11	58.26

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.55	100.85	-0.30%
US\$INR	83.92	83.90	0.03%
EURUSD	1.1184	1.1161	0.21%
EURINR	93.73	93.75	-0.02%
GBPUSD	1.3261	1.3188	0.55%
GBPINR	111.08	110.65	0.38%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.861	6.851	0.00
US	3.822	3.816	0.00
Germany	2.288	2.248	0.02
UK	3.998	3.912	0.02
Japan	0.884	0.891	-0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
7/10/2024	8:00 PM	-3.4M	0.7M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	317175	1600	0.51%
Aluminium	867225	-3725	-0.43%
Zinc	255800	-250	-0.10%
Lead	185100	4200	2.32%
Nickel	116616	0	0.00%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, August 26, 2024						
1:30 PM	Europe	German ifo Business Climate	86.6	86	87	Medium
6:00 PM	US	Durable Goods Orders m/m	9.90%	4%	-6.70%	Medium
Tuesday, August 27, 2024						
6:30 PM	US	S&P/CS Composite-20 HPI y/y	6.50%	6.90%	6.80%	Medium
7:30 PM	US	CB Consumer Confidence	103.3	100.2	100.3	High
7:30 PM	US	Richmond Manufacturing Index	-19	-14	-17	Medium
Wednesday, August 28, 2024						
10:45 AM	US	FOMC Member Waller Speaks	-	-	-	Medium
11:30 AM	Europe	German GfK Consumer Climate	-	-18.1	-18.4	Medium
8:00 PM	US	Crude Oil Inventories	-	-	-4.6M	Medium
Thursday, August 29, 2024						
All Day	Europe	German Prelim CPI m/m	-	0.00%	0.30%	High
6:00 PM	US	Prelim GDP q/q	-	2.80%	2.80%	High
6:00 PM	US	Unemployment Claims	-	234K	232K	High
7:30 PM	US	Pending Home Sales m/m	-	0.20%	4.80%	Medium
8:00 PM	US	Natural Gas Storage	-	-	35B	Medium
Friday, August 30, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	-	2.20%	2.20%	Medium
2:00 PM	UK	Net Lending to Individuals m/m	-	3.4B	3.8B	Medium
2:30 PM	Europe	CPI Flash Estimate y/y	-	2.20%	2.60%	High
6:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.20%	High
6:00 PM	US	Personal Spending m/m	-	0.50%	0.30%	Medium
7:15 PM	US	Chicago PMI	-	44.4	45.3	Medium
7:30 PM	US	Revised UoM Consumer Sentiment	-	67.9	67.8	Medium



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