

March 26, 2024

Daily Currency & Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	April	Buy	757.50-758	764	754	Intraday
USDINR	April	Sell	83.65-83.66	83.35	83.78	Intraday

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News and Developments

- Spot gold prices ended on the positive note gaining 0.3% yesterday amid retreat in dollar. Further, gold prices moved higher on expectation of interest rate cuts by major central banks in developing country this year. Meanwhile, investors remained cautious ahead of slew of economic data from US to get hint on the timing of rate reductions
- Dollar index slipped by 0.20% yesterday on disappointing economic data from US and on renewed bets that the US Federal Reserve would begin cutting interest rates in June. Meanwhile, hawkish comments from Fed officials prevented further downside in dollar
- US Feb new home sales unexpectedly fell -0.3% MoM to 662,000, weaker than expectations of an increase to 677,000
- As per CME Fedwatch tool, expectations for Fed to cut rate in June rose to 70.1% from 66.7% a day ago while, prospects of no rate cut increased to 26.2% from 24.4% a day ago
- U.S. Treasury yields were higher after the auction of \$66 billion in two-year notes. Yield on benchmark US 10-year treasury note rose to 4.247% and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower to 4.628%.
- Crude oil prices ended on positive note gaining more than 1.4% yesterday amid weakness in dollar and fear over tighter global crude supplies as Russian government ordered to cut oil output at a time when there is continues attacks on energy infrastructure in both Russia and Ukraine. Moscow, has ordered companies to reduce oil output in the second quarter to meet a production target of 9 mbpd by the end of June, in line with its pledges to the producer group OPEC+
- Copper prices ended on the positive note amid retreat in dollar and as copper inventories in warehouses tracked by the SHFE fell for the first time on a weekly basis since 22nd December to 285,090 tons

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	66022	0.25%	2171.83	0.30%
Silver	74923	0.18%	24.68	0.04%
Copper	756.8	0.58%	8873.00	0.07%
Aluminium	211.1	2.01%	2326.00	0.74%
Zinc	218.7	0.48%	2495.50	0.46%
Lead	176.0	1.03%	2034.50	-0.10%
WTI Crude Oil	6824	1.16%	81.95	1.64%
US Nat Gas	150.9	8.25%	1.62	-2.65%

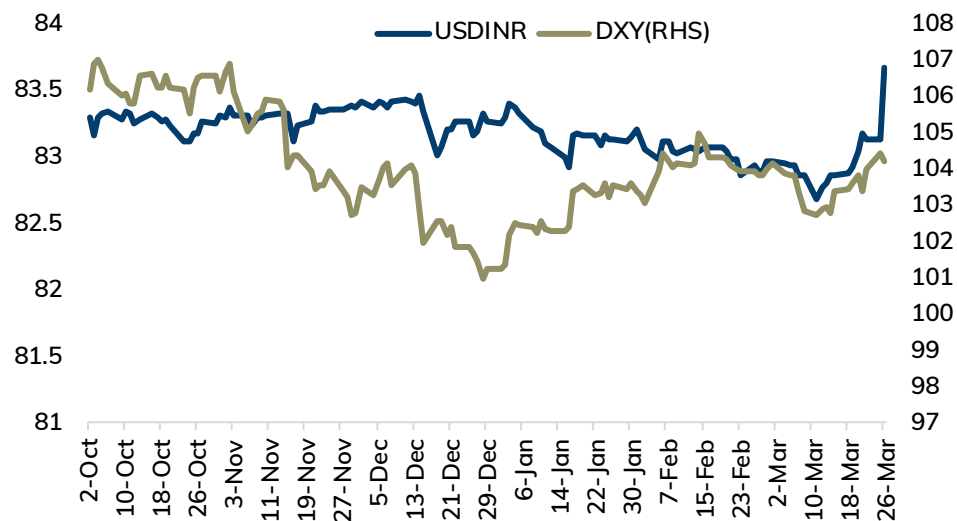
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Mar)	83.67	0.66%	2008825	-724937	5138136	2654133
EURINR (26th Mar)	90.50	-0.24%	57808	-16739	138102	-33538
GBPINR (26th Mar)	105.29	-0.70%	96823	-62854	328275	93153

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	April	Sell	6750-6760	6600	6850	Exit in Profit
GBPINR	March	Sell	05.55-105.56	105.20	105.70	Not Initiated

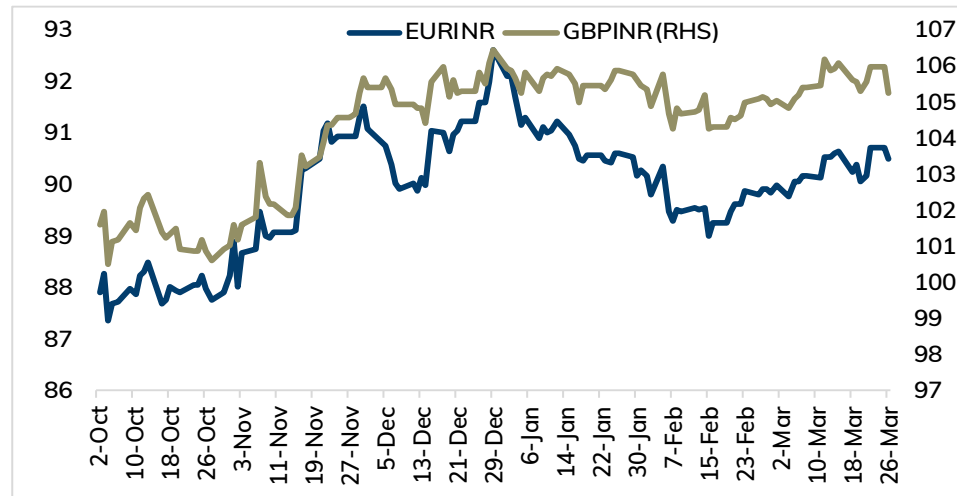
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee hit its all time lows last week amid strong dollar demand from domestic corporates and weaker Asian currencies. Further, higher crude oil prices also weighed on the Rupee to settle above 83.40.
- Rupee is expected to regain its strength amid correction in the dollar. Weaker-than expected economic numbers from US would weigh on the dollar. Meanwhile, hawkish comments from Fed members would limit the downside in the dollar. As per the CME Fed-Watch tool, rate cut probability in June has jumped to 70%. On the other hand, improved risk appetite and higher forex reserves would help the rupee to appreciate against the dollar. USDINR April is likely to face the hurdle near 83.75 and move back towards 83.35. A move below 83.35 it would slide towards 83.20.

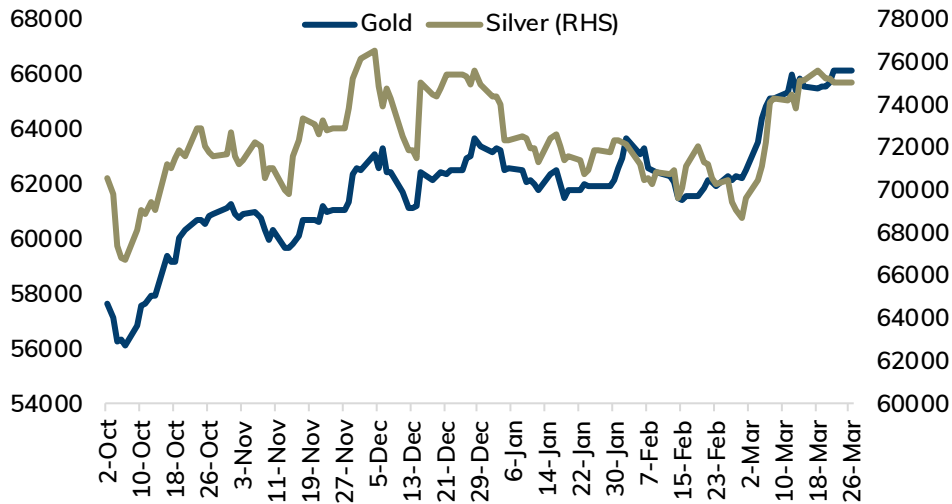
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro gained more than 0.25% on Monday amid correction in the dollar. Meanwhile, gains were restricted by dovish comments from ECB Governing council member Panetta. EURUSD is likely to hold the support near 1.080 and rise back towards 1.0860, on expectation of correction in the dollar and improved risk sentiments. EURINR April is likely to find support near 90.20 and move towards 90.80. Only close below 90.20 it would test 90.00.
- Pound edged higher yesterday amid correction in the dollar. The pair is expected to find support near 1.26 and move towards 1.27 amid improved risk sentiments. Meanwhile, dovish stance from the BOE member Mann could restrict any major upside in the pair. GBPINR April is likely to find support near 105.20 and move towards 105.80. Only a move below 105.20 it would slip towards 105 level.

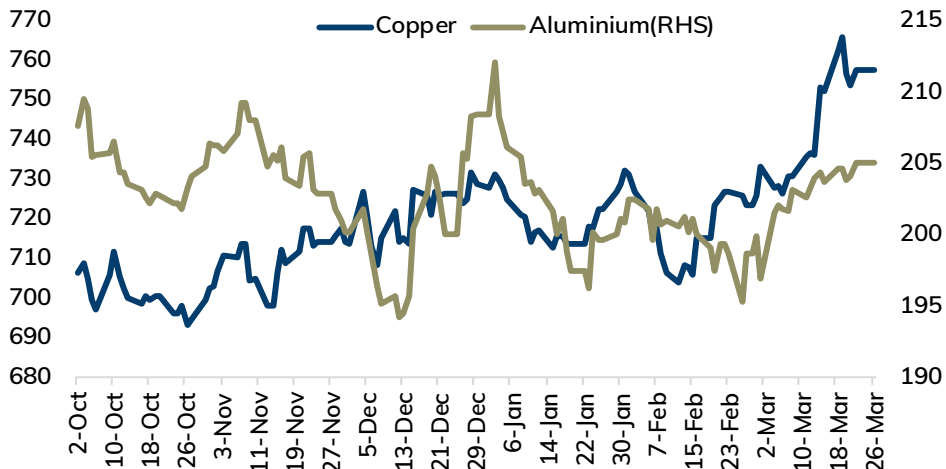
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to hold the support near \$2160 levels and rise towards \$2185 levels amid weakness in dollar and decline in US treasury yields. US yields and dollar may move further south as weaker than expected data from US may indicate that economy is feeling the heat of the aggressive rate hikes, giving more space to Fed to begin cutting rates in June. As per CME FedWatch tool traders are now pricing in more than 70% probability that Fed will begin cutting rates in June. Moreover, bets for a June rate cut by the ECB and BoE have risen substantially after the Swiss National bank became first major central bank to lower borrowing costs
- MCX Gold April prices is likely to rise towards 66,400 level as long as it stays above 65,800 levels
- MCX Silver May is expected to follow gold and rise back towards 75,500 level as long as it sustains above 74,600 level.

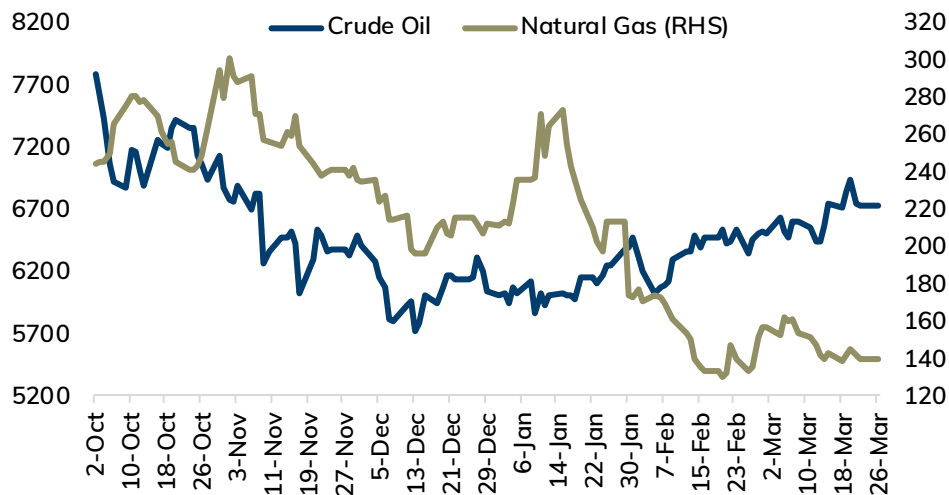
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with the positive bias buoyed by softness in dollar and optimistic global market sentiments. Moreover, prices may rally on expectations that interest rates in major economies will come down by the summer, boosting economic growth. Moreover, copper may move further north on growing expectations of further monetary easing by China to recuperate its economic growth. Meanwhile, investors will remain cautious ahead of slew of economic data from major economies
- MCX Copper is expected to move north towards 765 level as long as it stays above 754 level.
- Aluminum is expected to rise further towards 210.5 level as long as it stays above 208 level amid weakness in dollar and concerns of a slow recovery in production in China's Yunnan province

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$83.00 levels amid weakness in dollar and rise in risk appetite in the global markets after major central banks across developing countries signaled possible rate cut by summer. Further, prices may rally on escalating geopolitical tension in eastern Europe. Moreover, Russia ordered companies to cut output to meet its agreed OPEC+ output quota. Meanwhile, United Nations Security Council adopted a resolution demanding an immediate ceasefire between Israel and Hamas
- MCX Crude oil is likely to rise towards 6950 levels as long as it trades above 6750 levels.
- MCX Natural gas April is expected to slid further towards 145 levels as long as it stays below 155 levels on updated weather forecasts calling for warm early spring US temperatures and elevated inventories

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	65657	65839	66041	66223	66425
Silver	74558	74741	75005	75188	75452
Copper	753.5	755.1	756.7	758.3	759.9
Aluminium	210.3	210.7	211.0	211.4	211.7
Zinc	217.6	218.1	218.9	219.4	220.2
Lead	175.7	175.9	176.0	176.2	176.3
Crude Oil	6681	6753	6813	6885	6945
Nat Gas	146	149	151	153	155

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	82.98	83.33	83.53	83.87	84.07
US\$INR (Apr)	83.03	83.38	83.58	83.93	84.13
EURINR (Mar)	89.94	90.22	90.38	90.66	90.82
EURINR (Apr)	90.12	90.38	90.53	90.79	90.95
GBPINR (Mar)	104.72	105.00	105.23	105.51	105.74
GBPINR (Apr)	104.80	105.07	105.29	105.56	105.79
JPYINR (Mar)	54.87	55.05	55.17	55.35	55.47
JPYINR (Apr)	55.27	55.44	55.54	55.71	55.81

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.43	104.01	0.41%
US\$INR	83.43	83.15	0.33%
EURUSD	1.0808	1.0860	-0.48%
EURINR	90.24	90.76	-0.57%
GBPUSD	1.2601	1.2658	-0.45%
GBPINR	105.01	106.20	-1.12%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.094	7.048	0.046
US	4.198	4.267	-0.0688
Germany	2.323	2.405	-0.082
UK	3.928	3.995	-0.067
Japan	0.741	0.741	0

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
3/20/2024	8:00 PM	-2.0M.	-0.9M
3/13/2024	8:00 PM	-1.5M	0.9M
3/6/2024	9:00 PM	1.4M	2.4M
2/28/2024	9:00 PM	4.2M	3.1M
2/22/2024	9:30 PM	3.5M	3.9M
2/14/2024	9:00 PM	12.0M	3.3M
2/7/2024	9:00 PM	5.5M	1.7M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	117900	4050	3.56%
Aluminium	559600	-1100	-0.20%
Zinc	269375	-2725	-1.00%
Lead	267750	-25	-0.01%
Nickel	77454	-390	-0.50%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, March 25, 2024						
7:30 PM	US	New Home Sales	662k	675k	664k	Medium
Tuesday, March 26, 2024						
6:00 PM	US	Durable Goods Orders m/m		1.20%	-6.20%	Medium
6:30 PM	Europe	S&P/CS Composite-20 HPI y/y		6.60%	6.10%	Medium
7:30 PM	US	CB Consumer Confidence		106.90	106.70	High
Wednesday, March 27, 2024						
8:00 PM	US	Crude oil Inventories			(-2.0)M	Medium
Thursday, March 28, 2024						
3:30 AM	US	FOMC Member Waller Speaks		-	-	High
12:30 PM	Europe	German Retail Sales m/m		0.40%	-0.40%	Medium
6:00 PM	US	Final GDP q/q		3.2%	3.2%	High
7:00 PM	US	Unemployment Claims		219K	224K	Medium
7:30 PM	US	Pending Home Sales m/m		1.5%	-4.9%	High
7:30 PM	US	Revised UoM Consumer Sentiment		76.5	76.5	High
Friday, March 29, 2024						
6:00 PM	US	Core PCE Price Index m/m		0.30%	0.40%	High
9:00 PM	US	Fed Chair Powell Speaks		-	-	High



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