

December 19, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	December	Sell	810-811	800	814	Intraday

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News and Developments

- Spot gold prices dropped below the \$2600 after the US Federal reserve lowered the rates for a third consecutive time in this year to 4.5%. Price hit its 1-month lows after the US Federal Reserve signaled limited easing ahead, projecting only a 50 bps rate cut in 2025 against previous estimates of 100 bps.
- Silver prices hit its lowest level in 5-weeks amid strong dollar. Hawkish Fed comments amid sticky inflation numbers has lowered the chances of loose monetary policy. Further, poor demand of silver in the solar industry also weighed on the metal prices.
- The US dollar index jumped to its two year peak as soon as the Fed signaled slower pace of rate cut in 2025. The hawkish comments from the Fed chair has pushed the yields higher and supported the dollar to hit 108 mark.
- US 10-year treasury yields hit 7-month high and 2-year yields hit its 3-week's peak after the Fed lowered the rates by 25 bps, as expected. But also flagged a slower pace of easing next year amid strong labor market and stickier inflation in the economy.
- NYMEX Crude oil prices regained its strength and rose over \$71 mark after the weekly EIA inventory data reported a 4th consecutive week decline. Crude oil stocks in the US fell by nearly 1 million barrels, extending the 1.4-million-barrel draw from the previous week. But it pared all its gains amid strong dollar and hawkish Fed outlook.
- Base metal prices remained in a tight range as most investors remained cautious ahead of the key FOMC meeting. Ongoing economic concerns in China and lack of detailed stimulus measures also weighed on the base metals to trade lower.
- NYMEX Natural gas prices extended its gains for the second day in a row amid cold weather forecast in the next week. Further rising LNG exports in December also supported gas prices to trade higher.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	76653	-0.28%	2585.4	-2.32%
Silver	90380	-0.54%	29.35	-3.90%
Copper	808.5	0.16%	9028.5	0.43%
Aluminium	242.1	-0.14%	2528.5	-0.55%
Zinc	282.1	-0.48%	2995.0	-1.33%
Lead	177.8	-0.50%	1981.5	-0.20%
WTI Crude Oil	5989	1.10%	70.58	0.71%
US Nat Gas	286.2	6.00%	3.37	2.00%

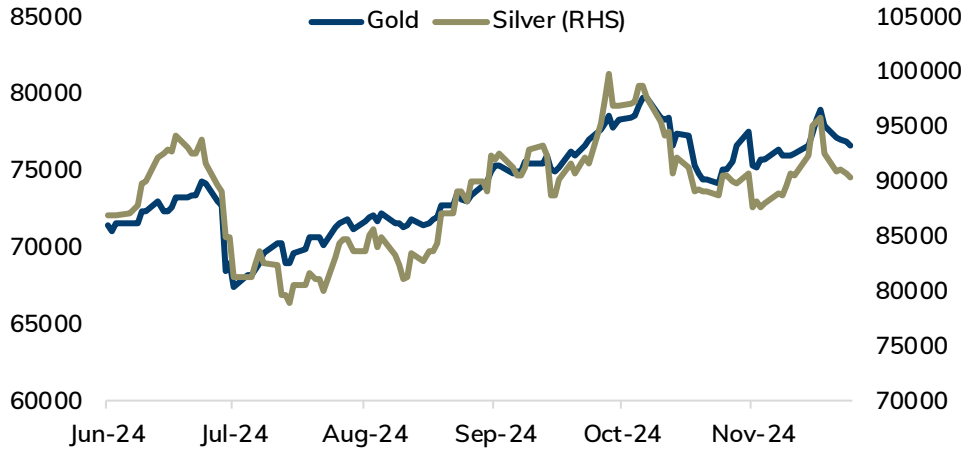
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th December)	85.02	0.02%	3628158	268273	549189	386035
EURINR (27th December)	89.30	0.14%	24939	-13	2441	-121
GBPINR (27th December)	108.06	0.22%	18610	302	3045	141

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	December	Sell	813-814	804	817	Not initiated

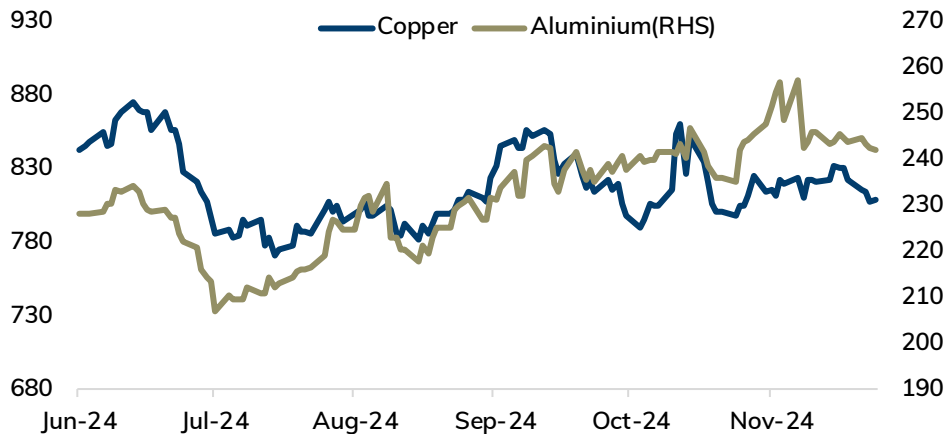
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to remain under pressure amid strong dollar and higher US treasury yields. Hawkish comments from the Fed chair amid strong growth numbers and projection of sticky inflation numbers would support the dollar to trade firm and restrict any major up move in the bullions. Further, expectation of better GDP in last quarter and drop in weekly jobless claims numbers would also weigh on the bullions.
- Spot gold is likely to face the hurdle near \$2630 and move towards \$2580. Formation of a bearish engulfing pattern and breakdown of 50 and 20 DEMA indicates correction in price. MCX Gold February is expected to move lower towards 75,200 as long as it trades under 77,000. A move below 75,200 it would sip towards 74,600.
- MCX Silver March is expected to face the hurdle near 89,200 and slide towards 86,800. A move below 86,800 would open the doors towards 85,000.

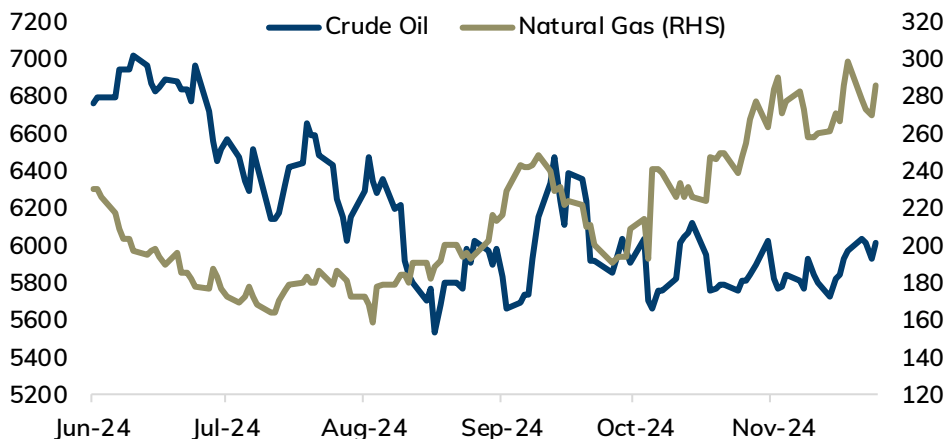
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to remain under pressure amid strong dollar and demand uncertainty. Further, sluggish demand growth from China and lack of details from China regarding its pledges of proactive stimulus measures could depress prices and dampen demand outlook. Meanwhile, supply disruption from Zambia's Mopin copper mine till February 2025 could provide some support to the metal.
- MCX Copper December is expected to face the hurdle near 812 and move lower towards 800. Breakdown of the rising channel and bearish cross over 10 and 20 DEMA indicates weakness in price.
- Aluminum is expected to move lower towards 240, as long as it trades under 244.50. MCX Zinc is expected to dip towards 278, as long as it trades under the 10 day EMA at 285.50

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to face the hurdle near \$71 and move lower towards \$69 amid strong dollar and demand concerns from China. Slower pace of interest rate cuts in 2025 by US federal Reserve would impact the fuel demand. Meanwhile, expectation of strong GDP numbers and steady job market would improve demand outlook and limit its downside. Further, geopolitical tensions and sanctions on Russian oil could limit its losses.
- On the data front, closer of OI in ATM and OTM strike call indicates prices to move higher. Further, addition of OI in ATM and OTM put strikes indicates strong support near \$69. MCX Crude oil January is likely to dip towards 5880 mark, as long as it trades under 6050. Only close below 5880 it would turn weaker.
- MCX Natural gas December future is expected to hold the support near 10 day EMA at 277 and rebound towards 300. A move above 300 would open the doors towards 305. Forecast of colder weather in US would provide support to price.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	76306	76480	76738	76912	77170
Silver	89598	89989	90463	90854	91328
Copper	800.9	804.7	807.6	811.4	814.4
Aluminium	240.8	241.4	242.4	243.1	244.1
Zinc	278.8	280.5	281.9	283.5	284.9
Lead	176.3	177.0	178.0	178.8	179.8
Crude Oil	5889	5939	5984	6034	6079
Nat Gas	265	275	284	295	303

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Dec)	84.45	84.73	85.27	85.55	86.09
US\$INR (Jan)	85.15	85.18	85.20	85.23	85.25
EURINR (Dec)	89.17	89.24	89.28	89.35	89.39
EURINR (Jan)	89.40	89.49	89.55	89.64	89.70
GBPINR (Dec)	107.58	107.82	107.96	108.20	108.34
GBPINR (Jan)	107.90	107.99	108.04	108.13	108.18
JPYINR (Dec)	55.52	55.45	55.88	55.81	56.24
JPYINR (Jan)	56.17	55.94	56.17	55.94	56.17

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	108.03	106.96	1.00%
US\$INR	84.96	84.90	0.06%
EURUSD	1.0353	1.0491	-1.32%
EURINR	89.16	89.04	0.14%
GBPUSD	1.2574	1.2710	-1.07%
GBPINR	107.78	107.72	0.06%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.746	6.759	-0.01
US	4.514	4.399	0.12
Germany	2.245	2.230	0.02
UK	4.558	4.524	0.03
Japan	1.082	1.084	0.00

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
11-12-2024	9:00 PM	-1.4M	-1.0M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	272325	-125	-0.05%
Aluminium	667525	-2500	-0.37%
Zinc	260400	-1700	-0.65%
Lead	255250	-275	-0.11%
Nickel	160920	-798	-0.49%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, December 16, 2024						
7:30 AM	China	Industrial Production y/y	5.40%	5.40%	5.30%	Medium
1:45 PM	Europe	French Flash Manufacturing PMI	41.9	43.2	43.1	High
2:00 PM	Europe	German Flash Manufacturing PMI	42.5	43.1	43	High
2:05 PM	Europe	ECB President Lagarde Speaks	-	-	-	Medium
2:30 PM	Europe	Flash Manufacturing PMI	45.2	45.3	45.2	Medium
3:00 PM	UK	Flash Manufacturing PMI	47.3	48.4	48	High
8:15 PM	US	Flash Manufacturing PMI	48.3	49.4	49.7	High
8:15 PM	US	Flash Services PMI	58.5	55.7	56.1	High
Tuesday, December 17, 2024						
12:30 PM	UK	Claimant Count Change	0.3K	28.2K	26.7K	High
2:30 PM	Europe	German ifo Business Climate	84.7	85.5	85.7	Medium
3:30 PM	Europe	German ZEW Economic Sentiment	15.7	6.4	7.4	Medium
7:00 PM	US	Retail Sales m/m	0.70%	0.60%	0.40%	High
Wednesday, December 18, 2024						
12:30 PM	UK	CPI y/y	2.60%	2.60%	2.30%	High
7:00 PM	US	Building Permits	1.51M	1.43M	1.42M	Medium
9:00 PM	US	Crude Oil Inventories	-0.9M	-1.6M	-1.4M	Medium
Thursday, December 19, 2024						
12:30 AM	US	Federal Funds Rate	4.50%	4.50%	4.75%	High
12:30 AM	US	FOMC Economic Projections	-	-	-	High
Tentative	Japan	BOJ Policy Rate	-	<0.25%	<0.25%	High
5:30 PM	UK	Official Bank Rate	-	4.75%	4.75%	High
7:00 PM	US	Final GDP q/q	-	2.80%	2.80%	High
7:00 PM	US	Unemployment Claims	-	245K	242K	High
9:00 PM	US	Natural Gas Storage	-	-	-190B	Medium
Friday, December 20, 2024						
6:45 AM	China	1-y Loan Prime Rate	-	3.10%	3.10%	Medium
6:45 AM	China	5-y Loan Prime Rate	-	3.60%	3.60%	Medium
12:30 PM	UK	Retail Sales m/m	-	0.50%	-0.70%	High
7:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.30%	High



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