

March 11, 2024

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	April	Buy	65550-65600	66250	65300	Intraday
EURINR	March	Buy	90.48-90.50	90.90	90.30	Intraday

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News and Developments

- Spot gold prices hit record highs on Friday at \$2195 amid decline in the dollar and weakness in the US treasury yields. Prices rallied despite a jump in the Feb US Non-farm payroll numbers. But downward revision in the December and January job numbers supported the precious metals to hold its gains. Further, rise in US unemployment rate which hit its highest level in last 2-years at 3.9% and less than expected rise in wage growth numbers signaled that the June rate cut is imminent.
- The US dollar index hit its lowest level in a month amid soft employment report. Further, weaker economic numbers raised the concerns about economic slowdown in US and increased the odds of June rate cut.
- As per the CME Fed-watch tool June rate cut bets remained above the 57% against previous reading of 55%.
- US 10-year treasury yields dipped to 4.07% and the 2-year treasury yield, which typically moves in step with interest rate moved towards 4.47%.
- NYMEX crude oil prices slipped almost 1% yesterday amid concerns over lagging demand from China despite OPEC's production cut. Fall in oil imports from China by 5.7% to 10.8Mbpd in the first two months of the year compared to 11.44Mbpd in December has weighed on the oil to slide towards \$78
- Copper prices retreated from its 5 week high amid slowdown in China which has dampened the consumption prospects. Earlier it rallied after China's import data signaled improved demand of unwrought copper in last two months.
- Natural gas prices fell to its lowest level in the week amid ample US supplies and warm winter temperature in most part of the US.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	66023	0.94%	2178.95	0.88%
Silver	74262	-0.07%	24.31	-0.07%
Copper	731.6	-0.52%	8579.50	-0.71%
Aluminium	202.6	-0.27%	2240.00	-0.58%
Zinc	221.1	-0.16%	2527.50	-0.30%
Lead	180.5	0.00%	2104.50	-0.17%
WTI Crude Oil	6459	-1.46%	78.01	-1.17%
US Nat Gas	151.7	-1.49%	1.81	-0.72%

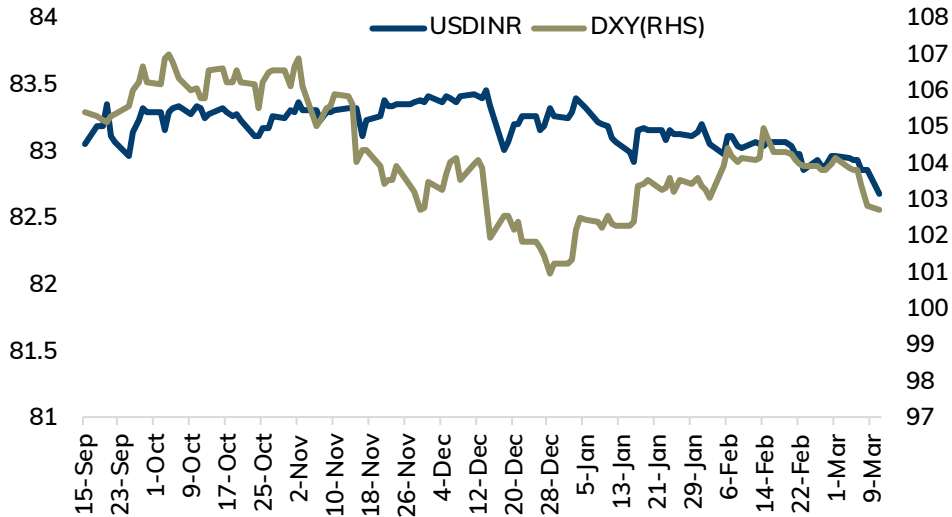
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Mar)	82.68	-0.22%	2797470	155902	2010325	546419
EURINR (26th Mar)	90.15	-0.02%	117789	1723	115729	25019
GBPINR (26th Mar)	105.46	0.05%	238078	5366	136323	-52915

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	March	Buy	6540-6550	6680	6470	Stop Loss Triggered
EURINR	March	Buy	90.18-90.20	90.50	90.00	Not Initiated

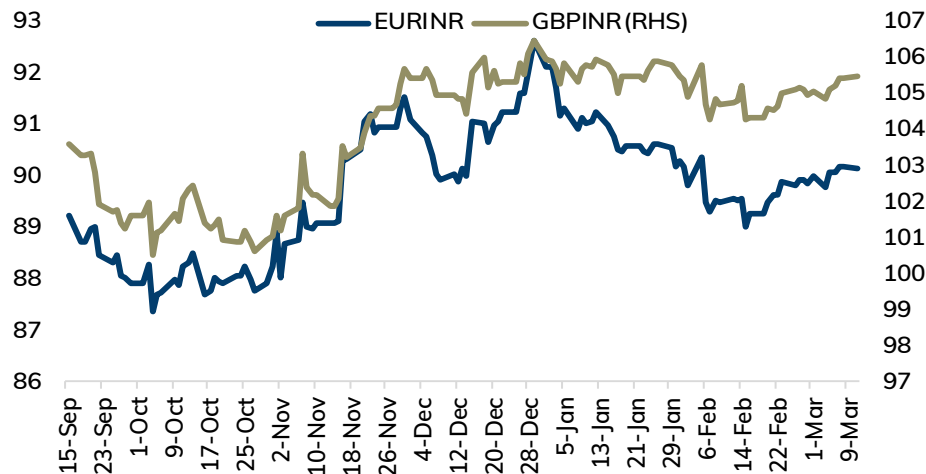
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee appreciated on Thursday amid weakness in dollar and decline in US treasury yields. Meanwhile, investors remained cautious ahead of US jobless claims data due later on Thursday and the non-farm payrolls report on Friday.
- Rupee is likely to appreciate today further amid soft dollar and US treasury yields. Dollar is moving south as rise in US unemployment rate and moderation in wage gains boosted expectations that Fed could start cutting rates soon. Additionally, US Non-Farm payrolls increased by 275K jobs last month but data for January was revised down to show 229K jobs created instead of 353K as previously reported. USDINR March likely to slip towards 82.60 levels as long as it sustains below 82.85 levels

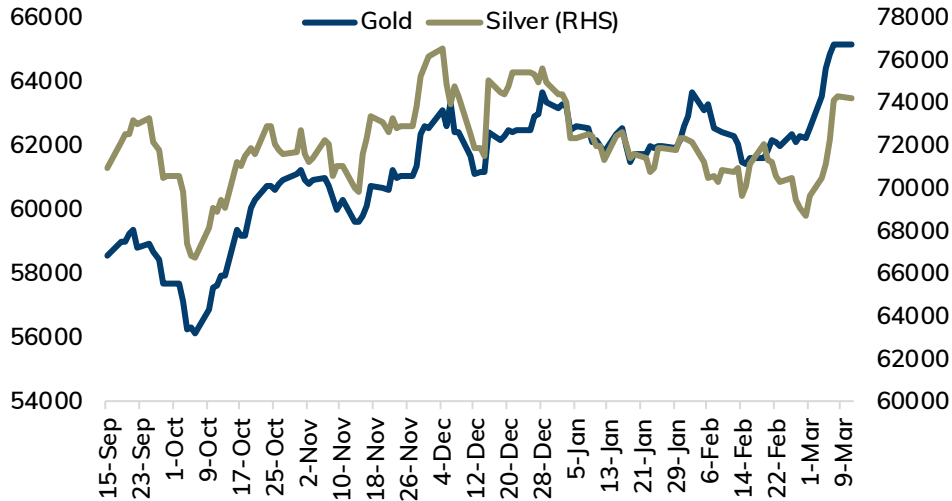
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro edged lower by 0.09% on Friday amid dovish comments from ECB Governing Council members Nagel and Villeroy de Galhau, they said ECB could begin cutting interest rates in the spring. For today, EURUSD is likely to hold the support near 1.0910 level and rise towards 1.0980 level amid soft dollar. Further, ECB had kept rates at record highs of 4.00% in its recent policy meeting and dampened expectations of imminent ECB rate cuts. EURINR March may rise towards 90.90 level as long as it trades above 90.30 levels
- Pound is expected to rise further towards 1.2900 level amid soft dollar and as Finance Minister Jeremy Hunt offered a raft of tax cuts, but little in the way of surprise for market. Additionally, BOE is expected to lag US Fed and ECB when it comes to rate cuts. GBPINR March is likely to move north towards 106.50 level as long as it stays above 105.90 levels.

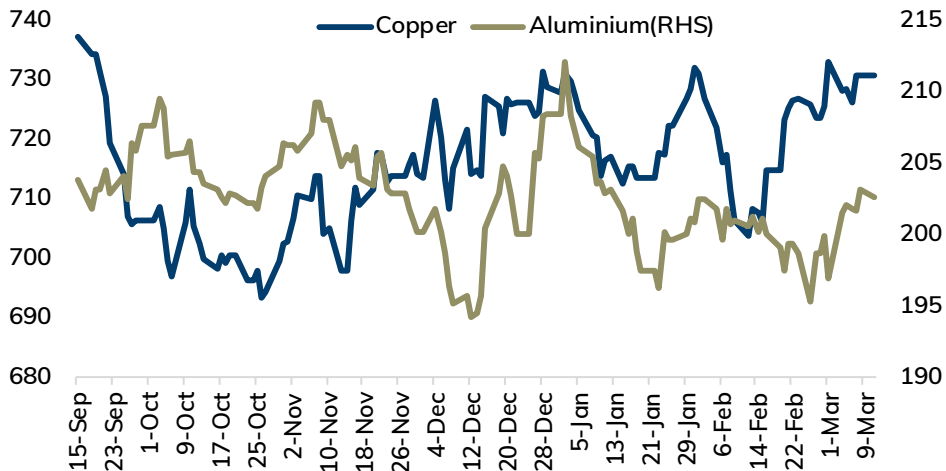
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold the support of \$2160 and extend its rally towards \$2200, amid softness in the dollar and decline in US treasury yields. The US dollar index is expected to trade lower amid growing bets of rate cut in June. Further, mounting geopolitical concerns and political developments are likely to support the prices. Moreover, increasing central bank holdings would also support the bullions to went past the \$2200 mark.
- MCX Gold April price is expected to hold the support near 65,600 and extend its rally towards 66,600. Above 66,600, it would test 67,000.
- MCX Silver May is likely to hold support near 73,600 and rise towards 75,000. A move above 75,000 would open the doors towards 76,200.

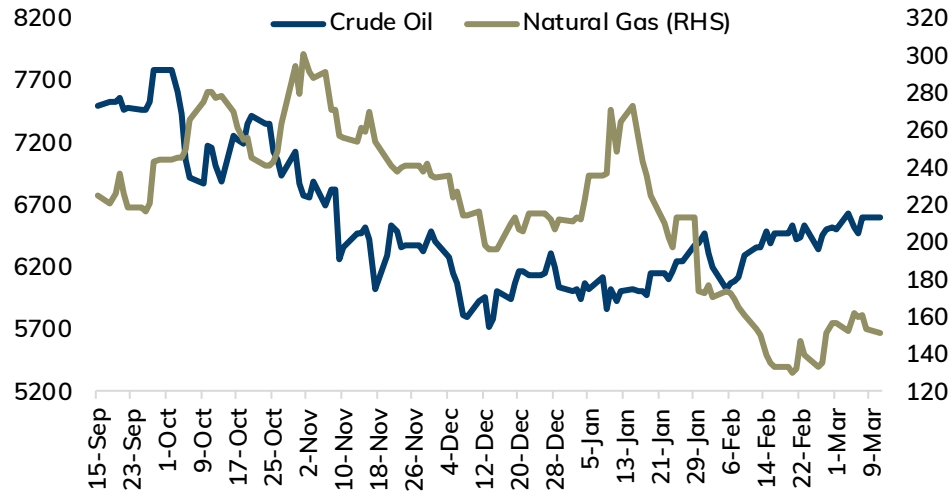
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to find support and trade higher amid softness in the dollar and expectation of more support from China to support the economic recovery. Further depleting stocks in LME would also help prices to trim its losses. Meanwhile, less than expected rise in PPI numbers from China and expectation of moderation in the loan growth in China would restrict any major upside in the red metal.
- MCX Copper March is expected to find support near 728 and move back towards 738. Only close below 728 would weaken the metal again towards 722 mark.
- Aluminum March future is expected to hold the support near 201 and extend its rebound towards 204.50. Above 204.50 it would rise towards 206.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to dip towards the immediate support near \$76 amid growing concerns over demand after last week's data from China raised the doubts despite geopolitical tension in the Mideast. Meanwhile, prices may find support near the \$76 mark amid increasing bets of rate cut later this year and rise in refinery activity in US. Moreover tension in the Red Sea would also support the oil prices to stay above the \$76 mark.
- MCX Crude oil March is expected to dip towards 6300, as long as price trades under 6540. Only a move above 6540 it would rise towards 6625.
- MCX Natural gas March future is expected to move in the band of 145 to 158. Only a sustained move above 158 it would open the doors towards 165.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	64992	65507	65932	66447	66872
Silver	73620	73941	74391	74712	75162
Copper	723.5	727.6	734.6	738.7	745.7
Aluminium	200.1	201.3	203.0	204.2	205.8
Zinc	217.8	219.4	221.4	223.0	225.0
Lead	179.1	179.8	180.9	181.6	182.7
Crude Oil	6372	6416	6470	6514	6568
Nat Gas	143	148	150	154	157

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	82.55	82.62	82.74	82.81	82.93
US\$INR (Apr)	82.63	82.71	82.85	82.93	83.08
EURINR (Mar)	89.99	90.07	90.20	90.28	90.41
EURINR (Apr)	90.15	90.24	90.40	90.49	90.64
GBPINR (Mar)	105.25	105.36	105.45	105.55	105.64
GBPINR (Apr)	105.32	105.43	105.53	105.64	105.74
JPYINR (Mar)	55.71	55.92	56.05	56.26	56.39
JPYINR (Apr)	56.11	56.30	56.43	56.62	56.75

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	102.82	103.37	-0.53%
US\$INR	82.79	82.83	-0.05%
EURUSD	1.0948	1.0899	0.45%
EURINR	90.26	90.10	0.19%
GBPUSD	1.2809	1.2731	0.61%
GBPINR	105.56	105.46	0.10%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.031	7.055	-0.024
US	4.083	4.102	-0.0193
Germany	2.306	2.322	-0.016
UK	3.998	3.991	0.007
Japan	0.731	0.717	0.014

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
1/31/2024	9:00 PM	1.2M	-0.8M
1/24/2024	9:00 PM	-9.2M	-1.2M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	112800	-725	-0.64%
Aluminium	580050	-275	-0.05%
Zinc	272275	-300	-0.11%
Lead	191575	-25	-0.01%
Nickel	73590	-114	-0.15%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, March 11, 2024						
10:30 PM	UK	MPC Member Mann Speaks	-	-	-	Medium
Tuesday, March 12, 2024						
12:30 PM	UK	Claimant Count Change	-	20.3K	14.1K	High
12:30 PM	UK	Average Earnings Index 3m/y	-	5.70%	5.80%	High
5:30 PM	India	CPI y/y	-	5.02%	5.10%	High
6:00 PM	US	CPI y/y	-	3.10%	3.10%	High
Wednesday, March 13, 2024						
12:30 PM	UK	GDP m/m	-	0.20%	-0.10%	High
3:30 PM	Europe	Industrial Production m/m	-	-1.40%	2.60%	Medium
8:00 PM	US	Crude Oil Inventories	-	-	1.4M	Medium
Thursday, March 14, 2024						
6:00 PM	US	PPI m/m	-	0.30%	0.30%	High
6:00 PM	US	Retail Sales m/m	-	0.80%	-0.80%	High
6:00 PM	US	Unemployment Claims	-	218K	217K	High
8:00 PM	US	Natural Gas Storage	-	-	-40B	Medium
Friday, March 15, 2024						
3:30 PM	India	Trade Balance	-	-	-17.49B	Medium
6:00 PM	US	Empire State Manufacturing Index	-	-7.6	-2.4	High
6:45 PM	US	Industrial Production m/m	-	0.00%	-0.10%	Medium
7:30 PM	US	Prelim UoM Consumer Sentiment	-	77.3	76.9	High
7:30 PM	US	Prelim UoM Inflation Expectations	-	-	3%	Medium



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