

August 14, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	September	Buy	70200-70250	70750	69950	Intraday

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News and Developments

- Spot gold prices ended on negative note yesterday losing 0.22%, but hover close to an all time high hit in July amid weakness in dollar and softening of US treasury yields. Further, prices rose on safe haven demand due to mounting geopolitical tension in Middle East
- Dollar ended on negative note yesterday losing more than 0.5% as weaker than expected US July PPI report cemented hopes for a interest rate cuts in September and dovish statement from Atlanta Fed President Bostic. He said unemployment is still historically low and the labor market was strong, predicting a rate cut by year end
- The July Producer Price Index increased a less than expected 0.1%, after rising 0.2% in June. In the 12 months through July, the PPI increased 2.2%, backing down from a 2.7% rise in June
- US Treasury yields slipped yesterday after a release of PPI data that flagged hopes US Fed is now unlikely to divert from easing path. Yield on benchmark US 10-year treasury note slipped to 3.845% while 2-year treasury yield, which typically moves in step with interest rate expectations decline to 3.936%
- Crude oil prices settled lower yesterday losing 1.26% as traders grew less anxious about the potential for a wider war in the Middle East, as Iran has not yet retaliate on Israel for assassination of a Hamas official in Tehran. Market took that risk premium out of the prices. Moreover, IEA kept its 2024 global oil demand growth forecast unchanged but trimmed its 2025 estimate
- Copper prices ended on negative note losing 0.19% yesterday as traders weighed demand concerns in China, the world's largest consumer of the metal. Further, prices slipped on rise in copper inventories along with decline in cancel warrants at LME registered warehouses

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	70699	-0.06%	2465.16	-0.31%
Silver	81049	-0.70%	27.85	-0.45%
Copper	786.3	-0.51%	8958.50	-0.75%
Aluminium	216.1	0.37%	2332.00	1.15%
Zinc	255.9	-1.60%	2688.50	-1.99%
Lead	185.7	-0.80%	1990.50	-2.78%
WTI Crude Oil	6596	-0.99%	78.35	-2.14%
US Nat Gas	181.0	-1.47%	2.15	-1.87%

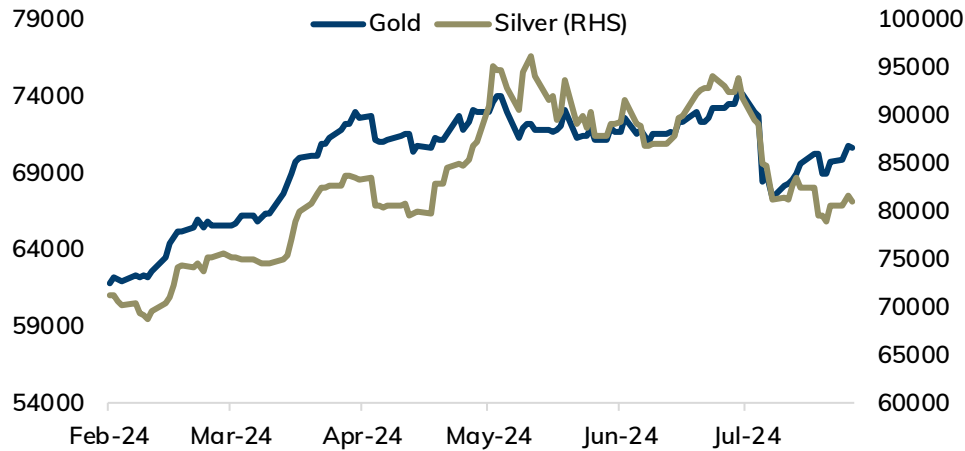
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th August)	84.00	0.00%	3810936	260859	464971	-425711
EURINR (28th August)	91.78	-0.01%	22893	-253	737	-65
GBPINR (28th August)	107.34	0.21%	21176	1218	2600	1812

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	August	Buy	784-785	795	780	Profit booked

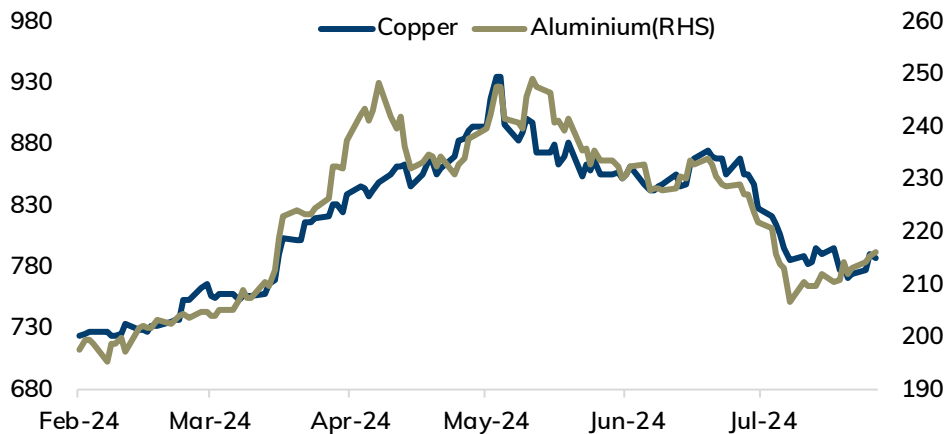
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to rise further towards \$2485 level amid weakness in dollar and softening of US treasury yields. Dollar and Yields are moving south as slowing inflation and a cooling labor market have led financial markets to anticipate that the Federal Reserve will start its easing cycle in September. Investors anticipate 25 bps rate cut in September, followed by similar reductions in November and December, but 50bps cut cannot be ruled out. Additionally, market will keep an eye on crucial economic data like CPI, retail sales and jobless claims for more clues. Moreover, demand for safe haven may increase on escalating tension in Middle East and eastern Europe. Spot gold is expected to rise further towards \$2485 level as long as it stays above \$2438 level (10-Day EMA)
- MCX Gold Oct is expected to rise further towards 71,350 level as long as it stays above 70,300 level
- MCX Silver September is expected to rise further towards 82,500 level as long as it stays above 80,000 level

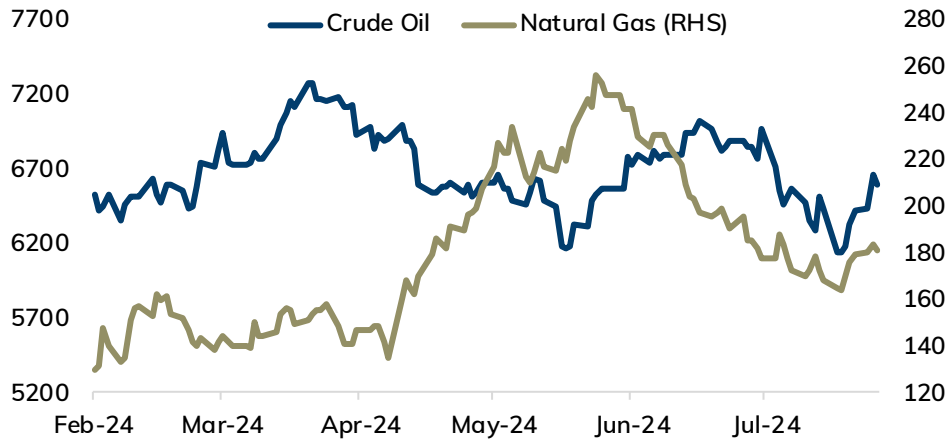
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with negative bias amid lackluster demand from China and persistent rise in stockpiles at LME registered warehouses. Moreover, activity in manufacturing sector across major economies looks weak, signaling sluggish demand recovery for industrial metal. Additionally, China's Yangshan premium, an indicator of import demand, stood at \$57 per ton yesterday, premium retreated for a second day, after rebounding for four straight weeks. Furthermore, BHP Group resumed wage talks with union leaders in Chile in a bid to end a strike at the world's biggest copper mine
- MCX Copper Aug is expected to slip back towards 772 level as long as it stays below 795 level. A break below 772 level prices may slip further towards 768 level
- Aluminum is expected move north towards 218.5 level (200-Day EMA) as long as it stays above 214 level (10-Day EMA)

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise back towards \$80 level on weakness in dollar and rise in risk appetite in the global markets as weaker than expected PPI data, reinforced market expectations that US Federal Reserve will start cutting interest rates soon. Further, prices may rally on fear over supply disruption due to escalating tension in Middle East and eastern Europe. Moreover, prices may trade positive as API reported much larger than expected decline in crude oil stockpiles. Crude stocks shrunk by 5.21 million barrels in the week ended Aug. 9, Gasoline inventories eased by 3.69 million barrels, while distillates rose by 612,000 barrels. NYMEX Crude oil is likely to rise back towards \$80 level as long as it trades above \$77.4 level (20-Day EMA)
- MCX Crude oil Sep is likely to move north towards 6600 level as long as it stays above 6370 level (10-Day EMA)
- MCX Natural gas Aug is likely to slip towards 177 level (10-Day EMA) as long as it stays below 188 level.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70337	70518	70719	70900	71101
Silver	80108	80578	81027	81497	81946
Copper	777.7	782.0	785.0	789.3	792.3
Aluminium	211.9	214.0	215.4	217.5	219.0
Zinc	252.6	254.3	256.4	258.1	260.2
Lead	184.4	185.0	186.0	186.7	187.7
Crude Oil	6472	6534	6635	6697	6798
Nat Gas	175	178	183	186	191

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	83.97	83.98	83.99	84.00	84.01
US\$INR (Sep)	83.99	84.04	84.07	84.12	84.15
EURINR (Aug)	91.65	91.71	91.83	91.89	92.01
EURINR (Sep)	91.64	91.73	91.86	91.95	92.08
GBPINR (Aug)	106.89	107.12	107.35	107.58	107.81
GBPINR (Sep)	107.12	107.27	107.38	107.53	107.65
JPYINR (Aug)	56.76	56.87	57.01	57.12	57.26
JPYINR (Sep)	57.15	57.26	57.36	57.47	57.57

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	102.56	103.14	-0.56%
US\$INR	83.97	83.97	0.00%
EURUSD	1.0993	1.0931	0.57%
EURINR	91.69	91.75	-0.08%
GBPUSD	1.2862	1.2770	0.72%
GBPINR	107.41	107.15	0.24%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.879	6.880	0.00
US	3.843	3.904	-0.02
Germany	2.186	2.226	-0.02
UK	3.888	3.916	-0.01
Japan	0.847	0.853	-0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
7/3/2024	8:00 PM	-12.2M	-0.4M
6/26/2024	8:00 PM	3.6M	-2.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	305625	9500	3.21%
Aluminium	899900	-3700	-0.41%
Zinc	263150	23625	9.86%
Lead	207175	-4375	-2.07%
Nickel	113712	1308	1.16%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, August 12, 2024						
5:30 PM	India	Inflation Rate y/y	3.5%	5.4%	5.9%	High
11:30 PM	US	Federal Budget Balance	(-243.7)B	(-254.3)B	(-66.0)B	Medium
Tuesday, August 13, 2024						
11:30 AM	UK	Claimant Count Change	135.0K	14.5K	32.3K	High
11:30 AM	UK	Average Earnings Index 3m/y	4.50%	4.60%	5.70%	Medium
2:30 PM	Europe	German ZEW Economic Sentiment	19.2	30.60	41.80	Medium
6:00 PM	US	PPI m/m	0.00%	0.20%	0.20%	Medium
Wednesday, August 14, 2024						
11:30 AM	UK	CPI y/y		2.30%	2.00%	High
2:30 PM	Europe	Flash GDP q/q		0.30%	0.30%	Medium
6:00 PM	US	CPI y/y		3.00%	3.00%	High
8:00 PM	US	Crude Oil Inventories			(-3.7)M	High
Thursday, August 15, 2024						
7:00 AM	China	Industrial Production y/y		5.30%	5.30%	Medium
7:00 AM	China	Retail Sales		2.60%	2.00%	Medium
11:30 AM	UK	GDP m/m		0.10%	0.40%	High
6:00 PM	US	Retail Sales m/m		0.40%	0.00%	High
6:00 PM	US	Unemployment Claims		235k	233k	High
6:00 PM	US	Empire State Manufacturing Index		-5.90	-6.60	Medium
6:45 PM	US	Industrial Production m/m		-0.20%	0.60%	Medium
8:00 PM	US	Natural Gas Storage		-	74B	Medium
Friday, August 16, 2024						
11:30 AM	UK	Retail Sales m/m		0.60%	-1.20%	High
6:00 PM	US	Building Permits		1.43M	1.45M	Medium
7:30 PM	US	Prelim UoM Consumer Sentiment		66.7	66.4	Medium
7:30 PM	US	Prelim UoM Inflation Expectations		-	2.9%	Medium



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