

April 3, 2024

Daily Currency & Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	April	Buy	767.50-768	776	763	Intraday

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News and Developments

- Spot Gold prices surged to another record high of \$2280 yesterday amid retreat in Dollar and short term US treasury yield. Further, demand for safe haven increased on escalating tension in Middle East after Israeli strike on Iran's embassy in Syria. Iran has vowed to take revenge on Israel for an airstrike in Damascus.
- Dollar index slipped by 0.2% yesterday after US Federal Reserve officials articulated their support for 3 rate cuts this year. Meanwhile, sharp downside was cushioned due to you better than expected economic data from US. Report showed US job openings held steady at higher levels in February and new orders for manufactured goods rebounded more than expected in February
- US February JOLTS job openings unexpectedly edged up by 8,000 to 8.756 million and factory orders rose 1.4% MoM, stronger than expectations of 1.0%.
- As per CME Fedwatch tool, expectations for Fed to cut rate in June rose to 61.6% from 56.8% a day ago while, prospects of no rate cut slipped to 36.5% from 42.1% a day ago
- US Treasury yields moved higher to multi-months high after solid economic data but pared most of its gains latter as 2 Fed members said they favored three rate cuts this year. Yield on benchmark US 10-year treasury note rallied to 4.405%, highest since late November and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower to 4.691% after touching a fresh 2 week high of 4.733%.
- Crude oil prices ended on the positive note gaining more than 1.7% yesterday amid mounting geopolitical tension in Middle East and eastern Europe and signs of strong demand
- Copper prices rallied as strong factory data from China and US raised hopes of pick up in demand for industrial metal.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	68928	0.87%	2278.00	1.18%
Silver	77036	1.99%	26.12	4.13%
Copper	769.7	0.50%	9017.00	1.69%
Aluminium	212.6	1.46%	2377.00	1.71%
Zinc	220.4	1.22%	2481.00	1.72%
Lead	177.6	-0.53%	2021.00	-1.65%
WTI Crude Oil	7077	1.14%	85.15	1.72%
US Nat Gas	156.1	1.43%	1.86	1.25%

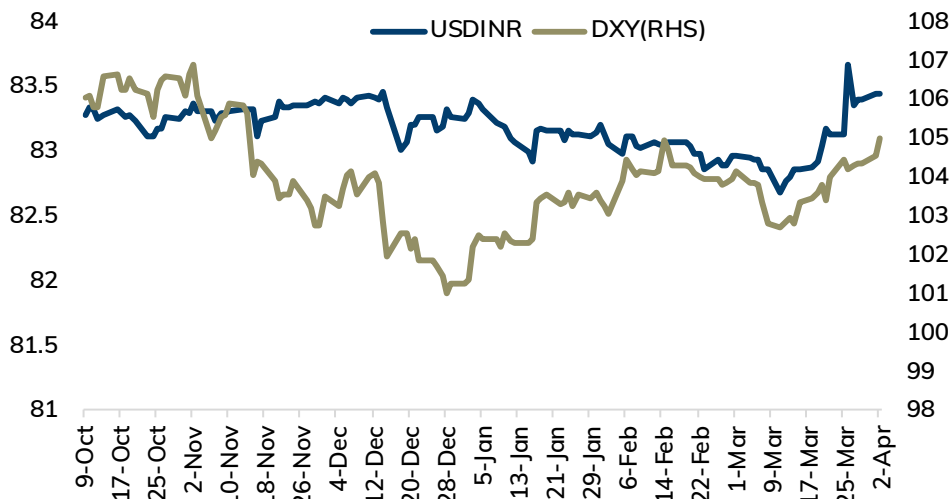
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.47	0.04%	3072955	459687	2437114	716691
EURINR (26th Apr)	89.81	-0.39%	113956	-86	164976	2339
GBPINR (26th Apr)	104.94	-0.37%	191663	16960	254073	-17599

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	April	Buy	150.50-151	160	146	Profit Booked

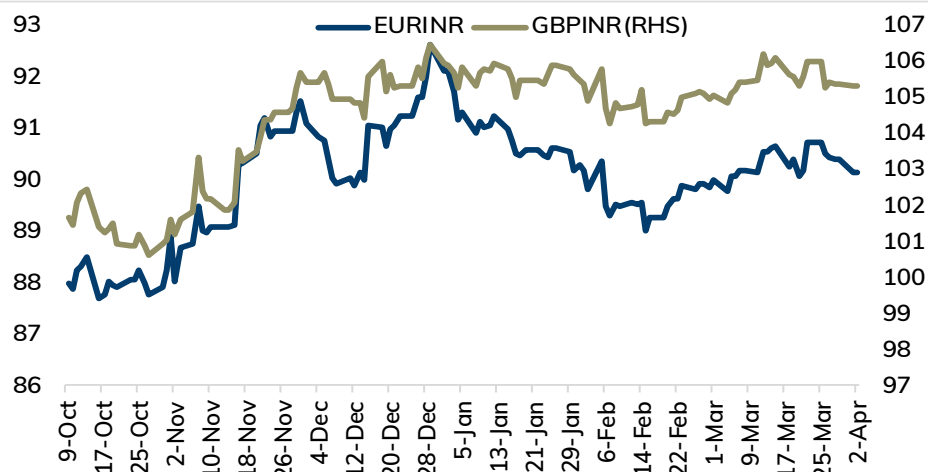
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee depreciated on Tuesday and went past the 83.40 mark amid weak Asian peers and higher crude oil prices. Meanwhile, open interest on dollar-rupee April month futures fell after brokers informed their clients of an RBI notification that would require that positions in rupee contracts can only be taken against contracted exposures.
- USDINR is expected to move towards the lower band of the consolidation range 83.30-83.55 amid correction in the dollar. Growing support for three rate cuts by the Fed members amid mixed US economic numbers could check the upside in the dollar. Moreover, higher forex reserves and better than expected domestic economic numbers would support the rupee to move towards 83.30. So we expect rupee to move in a very tight range of 83.30-83.55. Only a move below 83.30 it would slide towards 83.20.

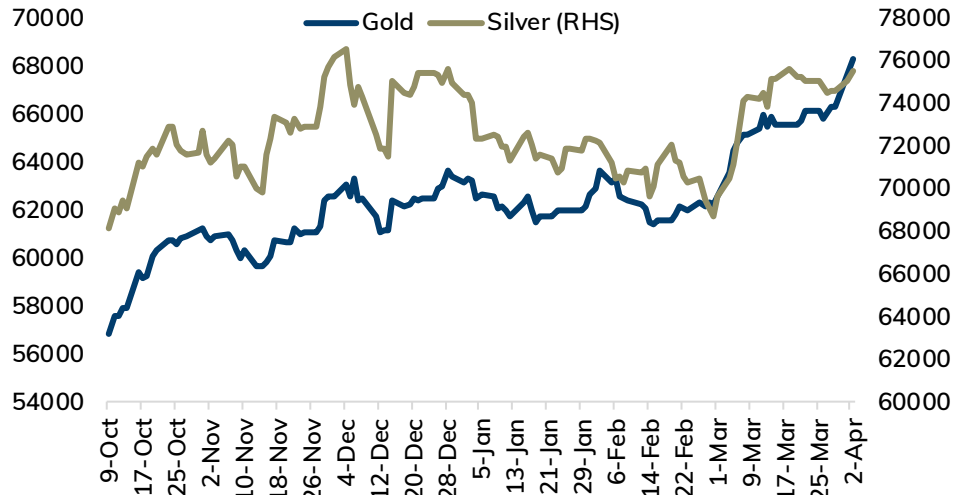
EURINR vs. GBPINR



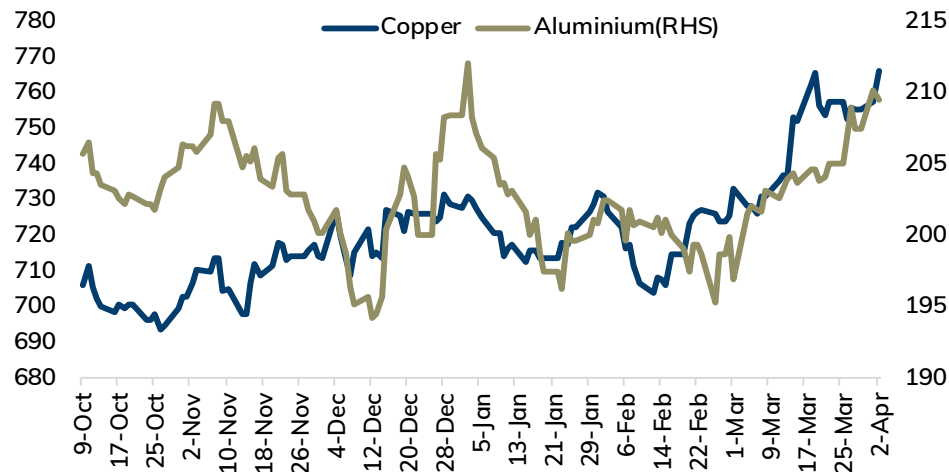
Euro and Pound Outlook

- Euro rebounded from its one month lows amid upward revision in the March manufacturing PMI data. Further, correction in the dollar index also supported the pair to regain its strength. EURUSD is expected to find support near 1.0720 and move higher towards 1.080 on expectation of sticky inflation numbers. EURINR April is likely to find support near 89.50 and move towards 90.20. Only move below 89.50 it would turn weaker.
- Pound recovered from its 6-week low on Tuesday amid softness in the dollar and improved manufacturing activity in UK. Manufacturing sector showed sign of growth in March as output and new orders increased following year-long. The pair is expected to hold support near 1.2520 and rebound towards 1.26 amid improved risk sentiments. GBPINR April is likely move towards 105.20 as long as it holds support of 104.50. Only a move below 104.50 it would slip towards 104.20 level.

MCX Gold vs. Silver



MCX Copper vs. Aluminium



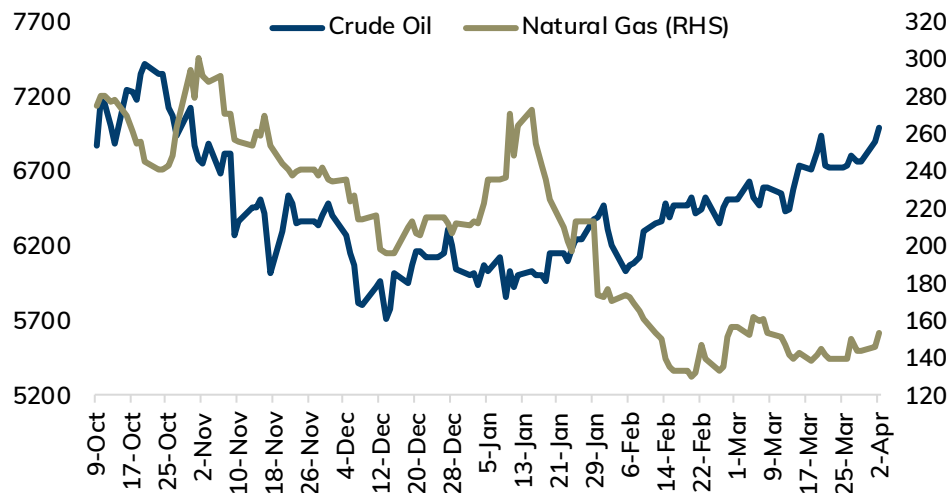
Bullion Outlook

- Spot gold is likely to rise further towards \$2300 hitting another record high as long as it holds support near \$2260 level amid expectation of correction in dollar and US treasury yields. Dollar is moving south ahead of slew of economic data from US and US Fed Chair Powell Speech, to get fresh cues on interest rate trajectory. Moreover, demand for safe haven may increase on mounting tension in Middle East and eastern Europe. Iran vowed to respond to Israeli airstrike on Tehran consulate in Syria and even Hezbollah pledged punishment and revenge on Israel. Investors fear over region wide conflict
- MCX Gold June prices is likely to rise further towards 69,500 level as long as it sustains above 68,500 level. On Flip side, only close below 68,500 would change the course of direction pushing prices towards 10-Day EMA around 67,300 level
- MCX Silver May is expected to follow gold and rise further towards 78,000 level as long as it sustains above 76,000 level.

Base Metal Outlook

- Copper prices are expected to trade with the positive bias amid weakness in dollar and improved economic data from major countries across globe. Further, prices may rally on concerns over tightening market. Furthermore, persistent decline in stocks at LME registered warehouses would aid copper prices. Additionally, prices may move north on anticipation of interest rate cuts coming from central banks in the US and elsewhere
- MCX Copper is expected to move further north towards 776 level as long as it stays above 763 level. A break above 776 would open doors for 780 levels
- Aluminum is expected to rise towards 214 level as long as it remains above 211 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$86 levels as long as it hold the support near \$84.50 levels amid weak dollar and larger than expected fall in crude oil inventories. As per API crude stocks fell by about 2.3M barrels for week ending 29th March. Data also showed gasoline inventories fell by about 1.5M barrels and distillate by 2.6M barrels. Further, prices may rally as escalating geopolitical tension in Middle East and Eastern Europe raised concerns about tighter supplies. Moreover, investors will remain vigilant ahead of OPEC+ meeting where panel is unlikely to make any changes in oil output policy and official government crude oil inventory report
- MCX Crude oil is likely to rise towards 7180 levels as long as it trades above 6980 levels. A sustain break above 7180 level would open doors for 7250 levels
- MCX Natural gas April is expected to rise further towards 50-day EMA of 161 levels as long as it stays above 20-day EMA around 147 levels.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	68323	68626	68882	69185	69441
Silver	74685	75860	76486	77661	78287
Copper	763.0	766.4	768.9	772.3	774.8
Aluminium	207.5	210.1	211.7	214.2	215.8
Zinc	215.5	217.9	220.2	222.6	224.9
Lead	176.7	177.1	178.1	178.5	179.5
Crude Oil	6948	7012	7068	7132	7188
Nat Gas	146	151	154	159	162

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	83.34	83.41	83.45	83.52	83.56
US\$INR (May)	83.40	83.46	83.50	83.56	83.60
EURINR (Apr)	89.34	89.57	89.83	90.06	90.32
EURINR (May)	90.05	90.18	90.36	90.50	90.67
GBPINR (Apr)	104.45	104.70	104.92	105.17	105.39
GBPINR (May)	105.05	105.23	105.36	105.53	105.66
JPYINR (Apr)	55.29	55.37	55.43	55.51	55.57
JPYINR (May)	55.74	55.78	55.81	55.85	55.88

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.75	104.96	-0.20%
US\$INR	83.37	83.34	0.04%
EURUSD	1.0760	1.0740	0.19%
EURINR	89.87	89.56	0.35%
GBPUSD	1.2550	1.2577	-0.21%
GBPINR	104.88	104.58	0.29%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.108	7.056	0.007
US	4.353	4.313	0.009
Germany	2.398	2.298	0.044
UK	4.078	3.933	0.037
Japan	0.743	0.711	0.045

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
27-03-2024	8:00 PM	3.2M	-0.7M
20-03-2024	8:00 PM	-2.0M.	-0.9M
13-03-2024	8:00 PM	-1.5M	0.9M
06-03-2024	9:00 PM	1.4M	2.4M
28-02-2024	9:00 PM	4.2M	3.1M
22-02-2024	9:30 PM	3.5M	3.9M
14-02-2024	9:00 PM	12.0M	3.3M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	107300	-750	-0.69%
Aluminium	571775	-1500	-0.26%
Zinc	264125	-1900	-0.71%
Lead	190575	-375	-0.20%
Nickel	74028	-150	-0.20%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 01, 2024						
7:30 PM	US	ISM Manufacturing PMI	50.3	48.5k	47.8k	High
Tuesday, April 2, 2024						
All Day	Europe	German Prelim CPI m/m		0.40%	0.40%	High
1:30 PM	Europe	Final Manufacturing PMI	46.1	45.70	45.70	Medium
2:00 PM	UK	Final Manufacturing PMI	50.3	49.90	49.90	Medium
7:30 PM	US	JOLTS Job Openings	8.76M	8.79M	8.86M	High
9:30 PM	US	FOMC Member Mester Speaks	-	-	-	Medium
Wednesday, April 3, 2024						
2:30 PM	Europe	CPI Flash Estimate y/y		2.50%	2.60%	Medium
2:45 PM		OPEC-JMMC Meetings		-	-	Medium
5:45 PM	US	ADP Non-Farm Employment Change		149k	140k	High
7:30 PM	US	ISM Services PMI		52.70	52.60	High
8:00 PM	US	Crude oil Inventories			(-2.0)M	Medium
9:20 PM	US	Fed Chair Powell Speaks				High
Thursday, April 4, 2024						
1:30 PM	Europe	Final Services PMI		51.1	51.1	Medium
2:00 PM	UK	Final Services PMI		53.4	53.4	Medium
6:00 PM	US	Unemployment Claims		214k	210k	High
Friday, April 5, 2024						
10:00 AM	India	RBI Interest rate decision		6.50%	6.50%	High
6:00 PM	US	Average Hourly Earnings m/m		0.30%	0.10%	High
6:00 PM	US	Non-Farm Employment Change		205k	275k	High
6:00 PM	US	Unemployment Rate		3.90%	3.90%	High



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