

March 28, 2024

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	April	Buy	6760-6770	6920	6670	Intraday
USDINR	April	Sell	83.42-83.43	83.30	83.52	Intraday

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News and Developments

- Spot gold prices ended on the positive note gaining more than 0.7% yesterday as buying momentum continued for the metal, backed by expectation of 3 rate cuts by US Fed in this year. Additionally, demand for safe haven remained intact due to escalating tension in Middle East and eastern Europe. Meanwhile, strength in dollar capped further upside in the prices
- Dollar index ended on the positive note on quarter end demand for the dollar. Meanwhile, sharp upside was capped as investors remained cautious ahead of key US inflation data, which could provide more clues on the Federal Reserves policy path
- Yen recovered slightly from its lowest level since 1990 after Japan's top monetary officials met to discuss the rapidly weakening currency and recommended that they were ready to intervene
- As per CME Fedwatch tool, expectations for Fed to cut rate in June slipped to 57.8% from 63.8% a day ago while, prospects of no rate cut increased to 37.5% from 29.8% a day ago
- US Treasury yields slipped after a robust auction of \$43 billion in 7-year Treasury notes. Yield on benchmark US 10-year treasury note slipped to 4.192% and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower to 4.574%.
- MCX Crude oil prices ended on the negative note losing more than 0.5% yesterday amid strong dollar and surprise jump in US crude oil inventories. As per EIA US crude oil stocks rose by 3.2 million barrels while gasoline stocks rose by 1.3 million barrels in the week ended 22nd March.
- Copper prices ended on the positive note on reports that smelters will have another meeting on plans to bring forward maintenances and reduce loss making capacity due to shortage of copper concentrates

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	66367	0.38%	2194.79	0.73%
Silver	74662	0.19%	24.65	0.79%
Copper	755.2	-0.07%	8849.50	-0.14%
Aluminium	207.5	-0.67%	2298.50	-0.22%
Zinc	213.7	-1.02%	2437.00	-0.20%
Lead	176.1	0.17%	2003.00	-0.84%
WTI Crude Oil	6776	-0.60%	81.35	-0.33%
US Nat Gas	144.4	-4.18%	1.72	9.08%

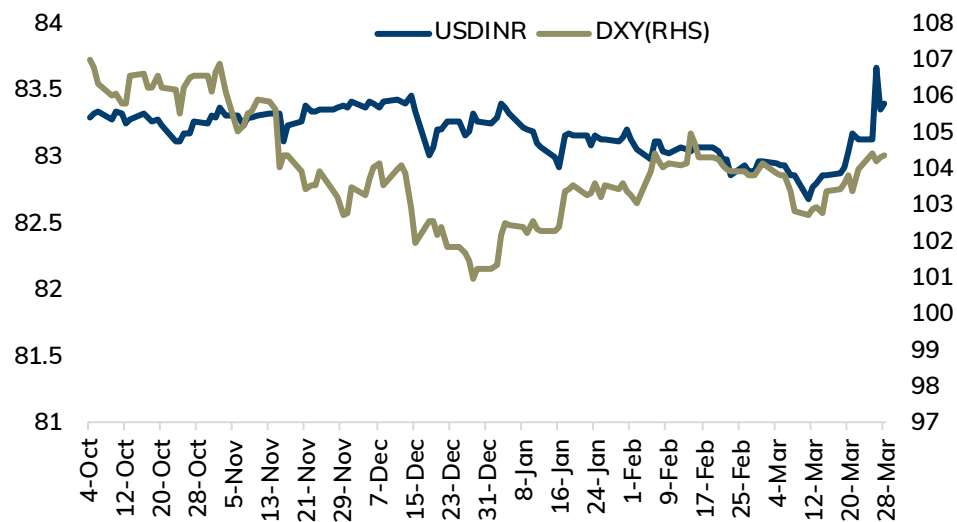
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.41	0.06%	4057581	2475538	2707406	326213
EURINR (26th Apr)	90.42	-0.02%	114042	90021	162637	104073
GBPINR (26th Apr)	105.37	-0.08%	174703	128914	271672	185255

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	April	Sell	152-152.50	145	156	Not Initiated
USDINR	April	Sell	83.40-83.41	83.20	83.50	Exit At Cost

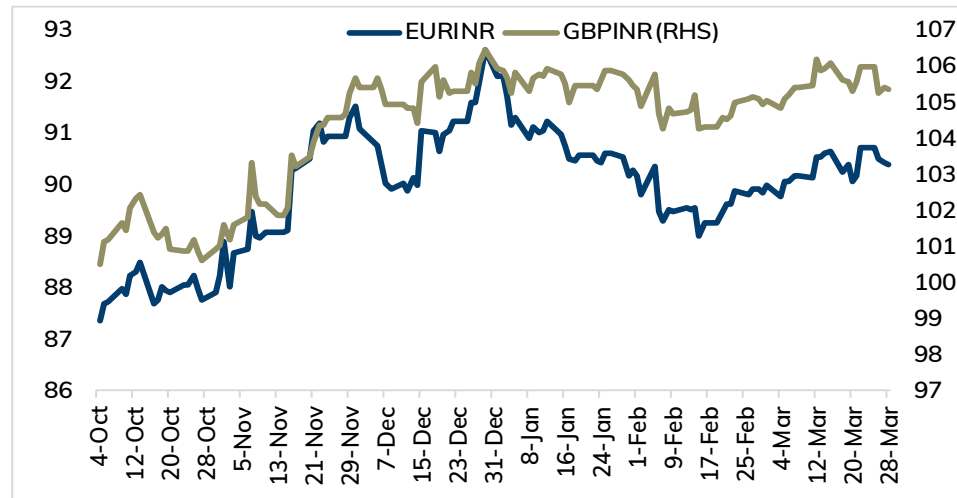
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee depreciated towards the end of the session yesterday amid aggressive dollar bids by the importers, while likely central bank intervention capped its losses. Weakness in major Asian peers also weighed on the rupee.
- USDINR is expected to face stiff resistance near 83.50 and move towards 83.25 on expectation of intervention by RBI. Further, forecast of mixed set of economic numbers from US and moderation in key inflation number would restrict the upside in the dollar. Moreover, improved risk appetite and better than expected CAD numbers would help the rupee to regain its strength. USDINR April is likely to face the hurdle near 83.50 and move back towards 83.30. A move below 83.30 it would slide towards 83.20.

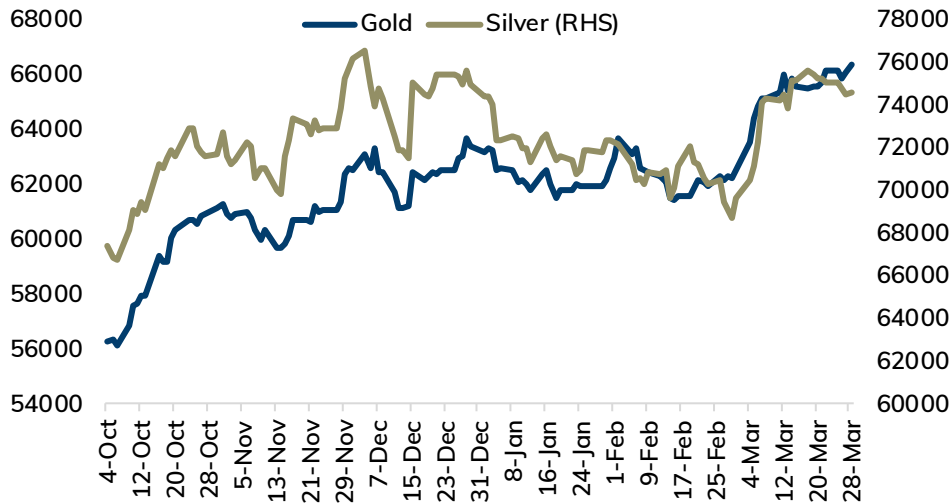
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro gave up early advance and edged lower due to dovish comments from ECB Governing council member Kazaks, who expressed support for a rate cut in June. Meanwhile, better than expected Eurozone economic confidence helped it to trim its losses. EURUSD is expected to consolidate in the band of 1.08 and 1.0860. Forecast of improved retails sales numbers from Germany would provide some support to the pair to hold the key support at 1.08. EURINR April is likely to find support near 90.20 and move towards 90.70. Only close below 90.20 it would test 90.00.
- Pound mostly remained in a tight range yesterday. Strong dollar restricted its upside. The pair is expected to consolidate in the band of 1.2580 and 1.2680. Only a move below 1.2580 would open the downside towards 1.2540. GBPINR April is likely move in the band of 105.00 and 105.80. Only a move below 105.00 it would slip towards 104.80 level.

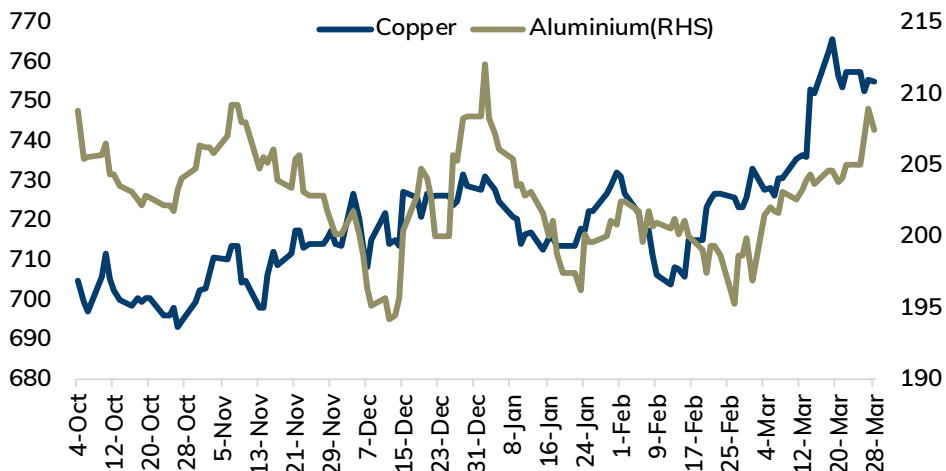
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to hold the support near \$2180 levels and rise towards \$2200 levels amid expectation of correction in dollar and softening of US treasury yields. US yields and dollar may move south on expectation of lower inflation figures, which may support Fed move to start cutting rates this year. Moreover, investors will remain cautious ahead of slew of economic data from US to gauge economic health and get clues on potential timing of first rate cut. As per CME FedWatch tool traders are now pricing in more than 58% probability that Fed will begin cutting rates in June. Moreover, demand for safe haven may increase on mounting tension in Middle East and eastern Europe.
- MCX Gold April prices is likely to rise towards 66,700 level as long as it stays above 66,000 levels
- MCX Silver May is expected to follow gold and rise back towards 75,500 level as long as it sustains above 74,100 level.

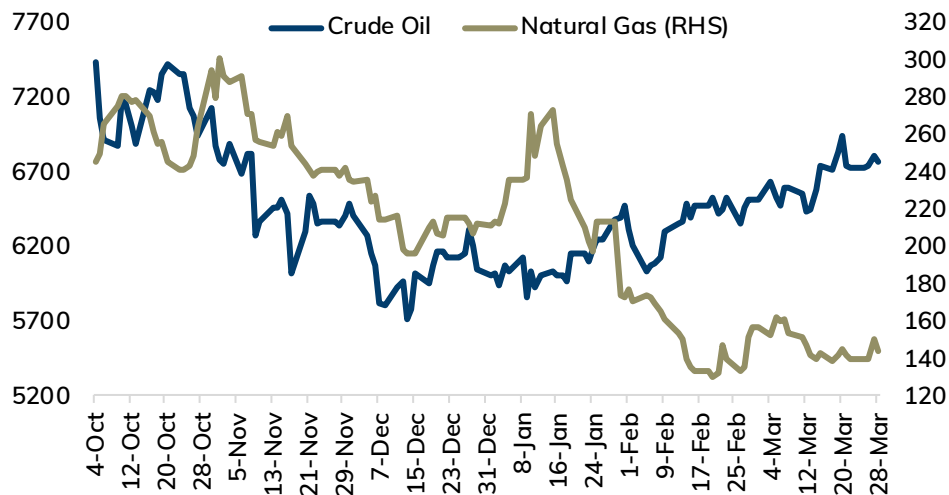
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with the negative bias as market participants await further detail on plans by Chinese smelters to cut production. Additionally, investors will remain cautious ahead of data from major economies to gauge economic health of the countries. Furthermore, investors are still worried about China's troubled and debt-laden property sector. Meanwhile, sharp downside may be cushioned on expectation of correction in dollar and decline in LME inventories
- MCX Copper is expected to move south towards 754 level as long as it stays below 765 level. A break below 754 would open doors for 750 levels
- Aluminium is expected to slip back towards 206 level as long it remains below 209 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$82.50 levels on concerns over supply disruption due to ongoing geopolitical tension in eastern Europe and Middle East. Additionally, major central banks flagged a potential rate cut later in this year, supportive for economic growth. Meanwhile, sharp upside may be capped as US crude oil and gasoline inventories rose unexpectedly last week driven by a rise in crude imports and sluggish gasoline demand. Moreover, investors will remain cautious ahead of OPEC+ meeting scheduled next week, where group is unlikely to make any changes in oil output policy
- MCX Crude oil is likely to rise towards 6920 levels as long as it trades above 6670 levels.
- MCX Natural gas April is expected to slip further towards 140 levels as long as it stays below 150 levels ahead of EIA natural gas inventories

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	65814	66090	66295	66571	66776
Silver	74136	74399	74622	74885	75108
Copper	749.3	752.2	754.9	757.9	760.6
Aluminium	207.5	207.5	207.5	207.5	207.6
Zinc	212.8	213.2	213.7	214.2	214.7
Lead	176.0	176.0	176.1	176.1	176.1
Crude Oil	6689	6733	6766	6810	6843
Nat Gas	139	142	146	149	153

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	83.25	83.33	83.43	83.51	83.61
US\$INR (Apr)	83.32	83.40	83.50	83.57	83.67
EURINR (Mar)	90.23	90.33	90.41	90.50	90.59
EURINR (Apr)	90.39	90.48	90.55	90.64	90.72
GBPINR (Mar)	105.03	105.20	105.32	105.50	105.62
GBPINR (Apr)	105.13	105.28	105.40	105.55	105.67
JPYINR (Mar)	55.19	55.37	55.47	55.65	55.76
JPYINR (Apr)	55.53	55.71	55.83	56.01	56.13

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.35	104.30	0.05%
US\$INR	83.38	83.29	0.11%
EURUSD	1.0828	1.0831	-0.03%
EURINR	90.28	90.41	-0.14%
GBPUSD	1.2640	1.2628	0.10%
GBPINR	105.28	105.40	-0.12%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.069	7.090	-0.021
US	4.190	4.232	-0.0413
Germany	2.292	2.350	-0.058
UK	3.932	3.971	-0.039
Japan	0.725	0.739	-0.014

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
3/27/2024	8:00 PM	3.2M	-0.7M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	113100	-4300	-3.66%
Aluminium	556525	750	0.13%
Zinc	263550	-2450	-0.92%
Lead	267850	0	0.00%
Nickel	76836	-240	-0.31%

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	1.00%	1.20%	-6.20%	Medium
6:30 PM	Europe	S&P/CS Composite-20 HPI y/y	6.60%	6.60%	6.10%	Medium
7:30 PM	US	CB Consumer Confidence	107	106.90	106.70	High
Wednesday, March 27, 2024						
8:00 PM	US	Crude oil Inventories	3.2M	(-0.7)M	(-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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