

September 27, 2024

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	October	Sell	5700-5720	5550	5810	Intraday

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News and Developments

- Spot gold prices made fresh high in Thursday amid weakness in the dollar. Further, interest rate cut by SNB 25 bps also supported the yellow metals to trade higher. Meanwhile, better than expected US economic data and rise in US treasury yields has checked its upside.
- Dollar index remained under pressure despite better than expected US weekly jobless claims numbers and US GDP numbers. Last week US weekly jobless claims numbers dropped by 4000 to 4 month low showing stronger labor market. US GDP left unrevised to 3.0% stronger than expectation of a downward revision to 2.9%. Meanwhile, spike in the Chinese yuan to 16 month high weighed on the US dollar to end on a loosing side
- US treasury yields recovered from day's lows amidst better than expected US economic numbers. US 10-year treasury yields settled at 3.9% and 2-year yields closed at 3.63%.
- NYMEX crude oil prices fell more than 3% yesterday on news that Saudi Arabia is preparing to give up its unofficial price target of 100\$ as it gets ready to increase the output along with OPEC member and allies.
- Base metals prices extended its gains for 4th day in a row on hopes that Chinese officials will unveil more stimulus packages to revive economic growth. Further, better than expected US economic numbers supported the metal prices to gain further strength.
- NYMEX natural gas retreated from its 2-month high despite a smaller than expected rise in its storage. Natural gas in underground storage increased by 47 billion cubic feet last week to 3,492 Bcf and was 233 Bcf or 7.1% above the five-year average for the week

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	75387	0.10%	2672.38	0.58%
Silver	92664	0.67%	32.02	0.65%
Copper	862.3	2.58%	10080.50	2.73%
Aluminium	239.3	2.37%	2611.50	2.88%
Zinc	282.5	3.08%	3099.00	3.39%
Lead	185.6	0.62%	2137.00	1.93%
WTI Crude Oil	5663	-3.05%	67.67	-2.90%
US Nat Gas	230.0	-2.67%	2.59	-1.97%

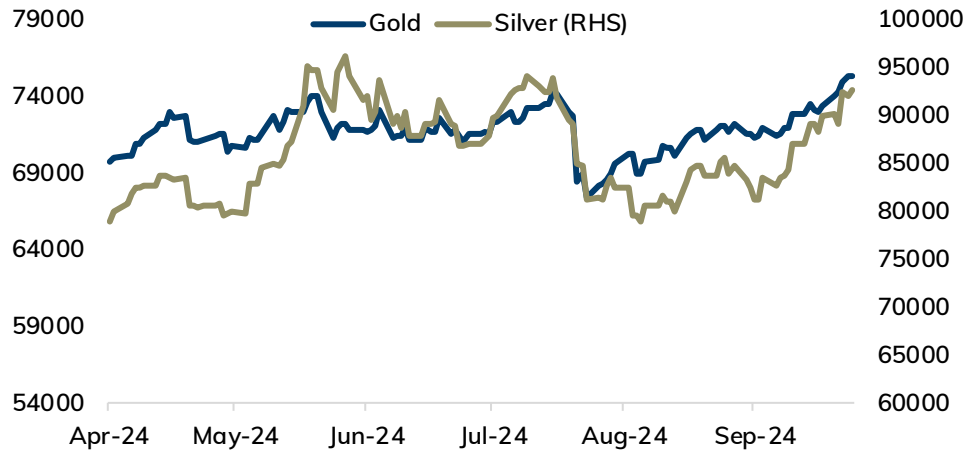
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th September)	83.70	0.10%	2150770	-29862	592549	-67420
EURINR (26th September)	93.32	-0.22%	18916	-7360	9323	4005
GBPINR (26th September)	111.70	-0.09%	13480	-13281	17106	-5302

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	October	Buy	834-835	844	830	Not Initiated

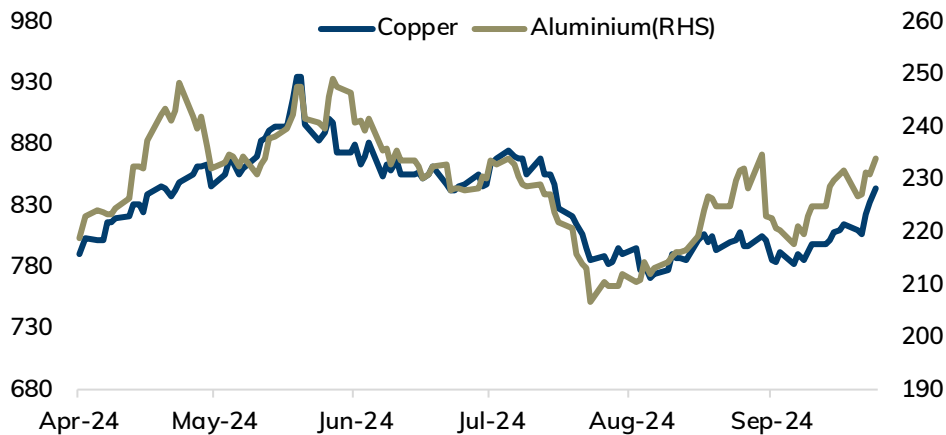
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to trade with a bullish bias amid weakness in the US dollar and softer US treasury yields. Growing bets of another 50 bps interest rate by the Fed would support the bullions. Meanwhile, focus will remain on key US inflation numbers. If it further falls further towards the target of 2% then the probability of 50 bps rate cut in November would go up which ultimately push the bullion prices to new highs. Meanwhile, higher OI concentration at \$2700 call strike would act as immediate resistance for price. A move above \$2700 would open the doors towards \$2750.
- MCX Gold Oct is expected to hold the key support at 74700 and move higher towards 76,000. Only a move below 74,700 could bring correction in prices towards 74,200.
- MCX Silver December is expected to hold the support near 91,500 and trade higher towards 94,000. Only close below 91,500 it would slide towards 90,000.

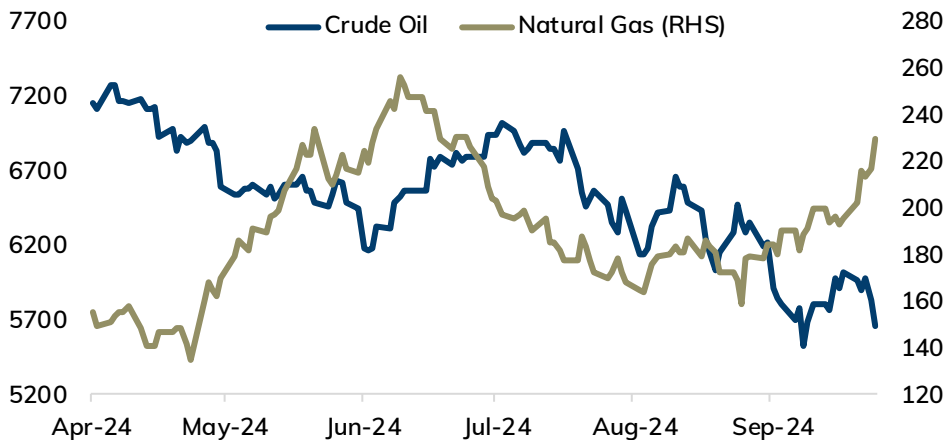
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to hold its gains amid weak dollar and improved risk sentiments. Further China's efforts to stabilize the property market and reverse its downturn by adjusting policies of housing purchase restriction and lower interest rates will improve the demand outlook of the industrial metals. Further, growing prospects of lower interest rates from ECB would boost the demand hopes of the base metals.
- MCX Copper October is expected to extend its gains further towards 870, as long as it holds above 855 mark.
- MCX Aluminium is expected to rise towards 241, as long as it trades above 234. Prices are likely to get support from the uncertainty around alumina supply in China, as output issues from Guinea and Australia persists.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to weaken further on expectation of higher supplies from Libya and other OPEC+ group. The OPEC members and its allies are planning to increase the output by 180,000 bpd. Meanwhile, focus will remain on key US inflation numbers which will give more clarity on the quantum of interest rate cuts in November. Meanwhile, increasing OI in OTM Call strikes indicates resistance for oil price near \$70. On the downside strong put base near \$65 would act as key support.
- MCX Crude oil October is likely to face the resistance at 5800 and weaken towards 5520. Formation of bearish engulfing pattern on the daily charts would weigh on oil prices.
- MCX Natural gas October is expected to weaken towards 225, as long as it trades under 238.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	74850	75118	75421	75689	75992
Silver	90725	91695	92916	93886	95107
Copper	830.9	846.6	854.7	870.4	878.5
Aluminium	230.9	235.1	237.4	241.6	243.8
Zinc	270.3	276.4	279.7	285.8	289.2
Lead	182.1	183.8	185.1	186.8	188.1
Crude Oil	5482	5573	5717	5808	5952
Nat Gas	221	226	234	238	246

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	83.60	83.65	83.68	83.73	83.76
US\$INR (Oct)	83.70	83.73	83.79	83.82	83.88
EURINR (Sep)	93.06	93.19	93.33	93.46	93.60
EURINR (Oct)	93.18	93.29	93.40	93.51	93.62
GBPINR (Sep)	111.41	111.55	111.73	111.87	112.05
GBPINR (Oct)	111.37	111.68	111.87	112.19	112.37
JPYINR (Sep)	57.39	57.61	57.73	57.95	58.07
JPYINR (Oct)	57.75	57.94	58.04	58.23	58.33

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.56	100.91	-0.35%
US\$INR	83.64	83.60	0.05%
EURUSD	1.1177	1.1133	0.40%
EURINR	93.21	93.51	-0.32%
GBPUSD	1.3415	1.3324	0.68%
GBPINR	111.72	111.79	-0.07%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.718	6.735	-0.02
US	3.796	3.785	0.01
Germany	2.183	2.175	0.01
UK	4.010	3.990	0.02
Japan	0.832	0.815	0.02

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
25-09-2024	8:00 PM	-4.5M	-1.6M
18-09-2024	8:00 PM	-1.6M	-0.2M
11-09-2024	8:00 PM	0.8M	0.9M
05-09-2024	8:30 PM	-6.9M	-0.6M
28-08-2024	8:00 PM	-0.8M	-2.7M
21-08-2024	8:00 PM	-4.6M	-2.0M
14-08-2024	8:00 PM	1.4M	-1.9M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	303050	-300	-0.10%
Aluminium	798025	-2500	-0.31%
Zinc	255050	-175	-0.07%
Lead	201975	-175	-0.09%
Nickel	130080	5676	4.56%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, September 23, 2024						
12:45 PM	Europe	French Flash Manufacturing PMI	44	44.3	43.9	High
1:00 PM	Europe	German Flash Manufacturing PMI	40.3	42.4	42.4	High
1:30 PM	Europe	Flash Manufacturing PMI	44.8	45.7	45.8	Medium
2:00 PM	UK	Flash Manufacturing PMI	51.5	52.3	52.5	High
7:15 PM	US	Flash Manufacturing PMI	47	48.6	47.9	High
7:15 PM	US	Flash Services PMI	55.4	55.3	55.7	High
Tuesday, September 24, 2024						
10:35 AM	Japan	BOJ Gov Ueda Speaks	-	-	-	High
1:30 PM	Europe	German ifo Business Climate	85.4	86.1	86.6	Medium
6:30 PM	US	S&P/CS Composite-20 HPI y/y	5.90%	5.90%	6.50%	Medium
7:30 PM	US	CB Consumer Confidence	98.7	103.5	103.3	High
7:30 PM	US	Richmond Manufacturing Index	-21	-17	-19	Medium
Wednesday, September 25, 2024						
7:30 PM	US	New Home Sales	716K	693K	739K	Medium
8:00 PM	US	Crude Oil Inventories	-4.5M	-1.3M	-1.6M	Medium
Thursday, September 26, 2024						
11:30 AM	Europe	German GfK Consumer Climate	-21.2	-22.6	-22	Medium
6:00 PM	US	Final GDP q/q	3.00%	2.90%	3.00%	High
6:00 PM	US	Unemployment Claims	218K	224K	219K	High
6:00 PM	US	Durable Goods Orders m/m	0.00%	-2.70%	9.80%	Medium
6:00 PM	US	Final GDP Price Index q/q	2.50%	2.50%	2.50%	Medium
6:50 PM	US	Fed Chair Powell Speaks	-	-	-	High
7:30 PM	US	Pending Home Sales m/m	0.60%	0.50%	-5.50%	Medium
8:45 PM	US	Treasury Sec Yellen Speaks	-	-	-	Medium
Friday, September 27, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	2.00%	2%	2.40%	Medium
6:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.20%	High
6:00 PM	US	Personal Spending m/m	-	0.30%	0.50%	Medium



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