

June 6, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	July	Buy	72250-72300	72900	71900	Intraday

Research Analysts

Jay Thakkar
jay.thakkar@icicisecurities.com

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Anup Sahu
anup.sahu@icicisecurities.com

News and Developments

- Spot gold prices edged higher yesterday gaining more than 1% while silver prices rose more than 1.5% as US treasury yields fell after weaker than expected US private payrolls data. Weak job data, cemented expectations that US Fed would cut interest rates later this year
- ADP Employment report showed Private payrolls increased by 152,000 jobs last month after rising by a downwardly revised 188,000 in April
- World Gold Council said net purchases of gold by global central banks rose to 33 metric tons in April from a revised net buying of 3 tons in March
- Dollar drifted higher after data showed services sector in US rebounded in May after contracting in preceding month. The Institute for Supply Management said its nonmanufacturing purchasing managers index rose to 53.8 last month from 49.4 in April
- US Treasury yields fell to 2 month low on weaker than expected jobs growth. Yield on benchmark US 10-year treasury note slipped to 4.277% and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower to 4.722%.
- Crude oil prices settled higher yesterday gaining more than 1.8% as hopes of an interest rate cut by the US Federal Reserve in September outweighed demand concern. Meanwhile, EIA data showed buildup in crude and fuel stocks. Crude stocks jumped by 1.2 million barrels, gasoline inventories rose by 2.1 million barrels and Distillate stocks rose by 3.2 million barrels in the week to May 31
- Copper prices rose yesterday by more than 1% but remained below \$10,000 mark amid weak physical demand in China and rise in copper inventories at LME and SHFE registered warehouses

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72518	0.72%	2355.32	1.22%
Silver	90444	0.88%	30.01	1.74%
Copper	869.7	0.71%	9925.50	-0.20%
Aluminium	239.1	-0.83%	2622.00	-1.56%
Zinc	258.4	-1.24%	2864.00	-2.42%
Lead	189.8	-0.34%	2229.50	-0.60%
WTI Crude Oil	6190	0.37%	74.07	1.12%
US Nat Gas	228.2	3.92%	2.76	6.61%

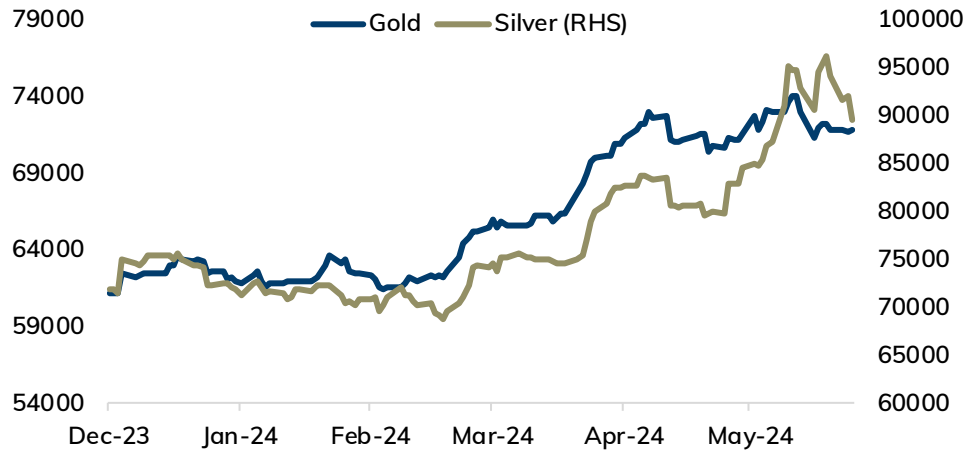
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.47	-0.14%	3041717	-258865	602841	-1687968
EURINR (26th June)	90.58	-0.07%	19472	801	1109	-2204
GBPINR (26th June)	106.36	-0.05%	18131	588	1453	-4777

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	June	Sell	867-868	858	873	Exit

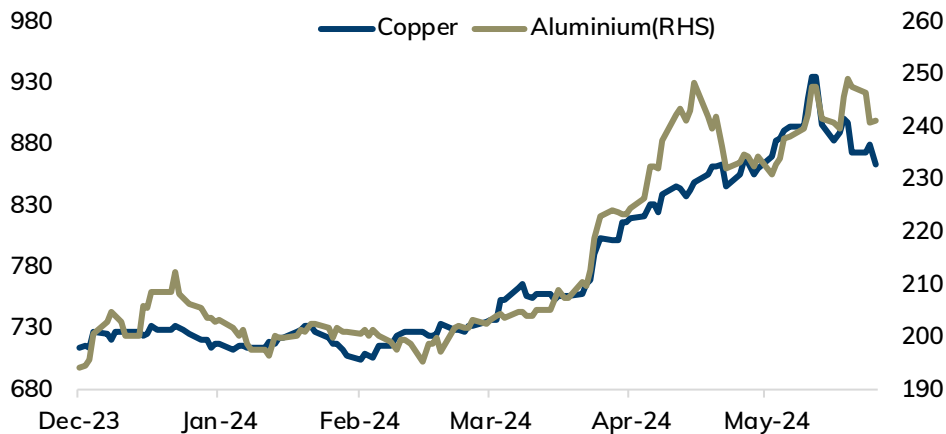
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to rise further towards \$2390 level amid soft dollar and decline in US treasury yields. Dollar and Yields are moving south as softening economic data boosted expectations that US Federal Reserve will make two 25bps rate cut this year. After weak Jolts job opening and private payrolls data market anticipates that non-farm payrolls data would come below expectations. Moreover, ECB is likely to cut interest rate by 25bps in today's meeting. Spot gold prices may rise further towards \$2390 level as long as it stays above \$2350 level (20-day EMA)
- MCX Gold Aug prices is likely to rise further towards 72,900 level as long as it stays above 72,100 level (20-Day EMA). A break above 72,900 level prices may rise further towards 73,300 level.
- MCX Silver July is expected to rise further towards 91,700 level (10-Day EMA) as long as it stays above 89,000 level. A break above 91,700 level prices may rise further towards 92,800 level

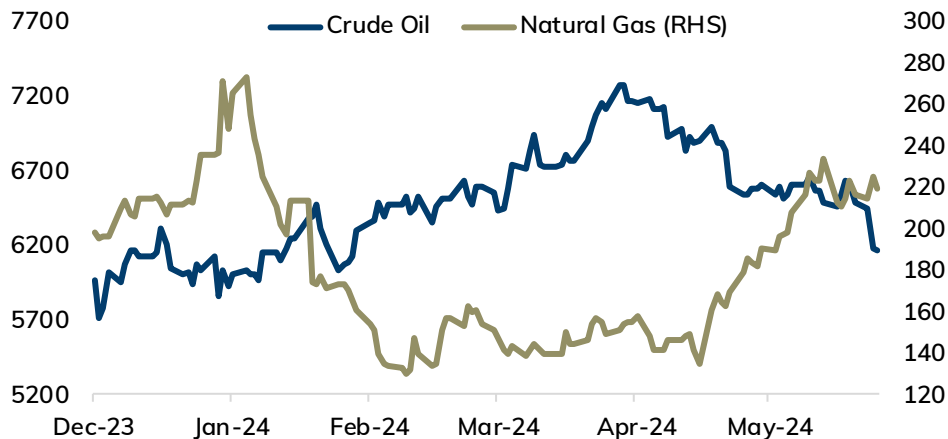
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with the positive bias amid weakness in dollar and rise in risk appetite in the global markets. Further, prices may rally on expectations that major central banks across globe would start cutting interest rates. Lower borrowing cost would support economic activity and increase the demand for industrial metal. Bank of Canada cut interest rates by 25 basis points to 4.75%, its first cut in 4 years, ECB is likely to go for first rate cut today while BOE is likely to follow BOC and ECB. Meanwhile, rising inventories at LME and SHFE registered warehouses would cap sharp upside in prices.
- MCX Copper is expected to rise further towards 882 level (10-Day EMA) as long as it stays above 857 level
- Aluminum is expected to move north towards 242 level (10-Day EMA) as long as it stays above 237 level. A break above 242 level prices may rally till 245 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rebound back to \$76 level amid weak dollar and rise in risk appetite in the global markets. Further, prices may move higher on expectations that US Federal Reserve will cut its key interest rate in September and once more in this year. Lower borrowing cost would support economic growth and boost oil demand. Meanwhile, sharp upside may be capped on demand concern after data showed builds in US crude and fuel stocks. NYMEX Crude oil is likely to rise further towards \$76 (10-Day EMA) as long as it trades above \$73 level
- MCX Crude oil June is likely to rise further towards 6350 level as long as it stays above 6080 level
- MCX Natural gas June is expected to rise further towards 237 level as long as its stays above 220 level (10-Day EMA) amid US weather forecasts turned warmer

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71524	72021	72308	72805	73092
Silver	88315	89379	89977	91041	91639
Copper	851.9	860.8	866.1	875.0	880.3
Aluminium	236.2	237.7	239.0	240.5	241.8
Zinc	253.5	255.9	258.7	261.1	263.9
Lead	186.7	188.3	189.6	191.2	192.5
Crude Oil	6037	6114	6155	6232	6273
Nat Gas	213	221	225	233	238

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	83.26	83.36	83.44	83.55	83.62
US\$INR (July)	83.32	83.45	83.55	83.68	83.78
EURINR (June)	90.43	90.50	90.64	90.71	90.84
EURINR (July)	90.57	90.63	90.67	90.73	90.77
GBPINR (June)	106.05	106.20	106.35	106.50	106.65
GBPINR (July)	106.08	106.14	106.22	106.27	106.35
JPYINR (June)	53.11	53.21	53.37	53.47	53.63
JPYINR (July)	53.83	53.89	53.84	53.89	53.85

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.27	104.11	0.15%
US\$INR	83.38	83.53	-0.18%
EURUSD	1.0869	1.0879	-0.09%
EURINR	90.68	90.83	-0.16%
GBPUSD	1.2787	1.2770	0.13%
GBPINR	106.53	106.61	-0.07%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.027	7.038	0.00
US	4.276	4.326	-0.01
Germany	2.512	2.534	-0.01
UK	4.184	4.178	0.00
Japan	1.017	1.030	-0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
6/5/2024	8:00 PM	1.2M	-2.1M
5/30/2024	8:30 PM	-4.2M	-1.6M
5/22/2024	8:00 PM	1.8M	-2.4M
5/15/2024	8:00 PM	-2.5M	-0.4M
5/8/2024	8:00 PM	-1.4M	-1.0M
5/1/2024	8:00 PM	7.3M	-2.3M
4/25/2024	8:00 PM	-6.4M	1.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	120000	1050	0.88%
Aluminium	1111300	1400	0.13%
Zinc	257650	3050	1.20%
Lead	180450	-1500	-0.82%
Nickel	84720	1206	1.44%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 03, 2024						
7:15 AM	China	Caixin Manufacturing PMI	51.70	51.60	51.40	Medium
1:30 PM	Europe	Final Manufacturing PMI	47.30	51.30	51.30	Medium
2:00 PM	UK	Final Manufacturing PMI	51.20	51.30	51.30	Medium
7:15 PM	US	Final Manufacturing PMI	51.30	50.90	50.90	High
7:30 PM	US	ISM Manufacturing PMI	48.70	49.80	49.20	High
Tuesday, June 04, 2024						
1:25 PM	Europe	German Unemployment Change	25k	7k	10k	Medium
7:30 PM	US	JOLTS Job Openings	8.06M	8.4M	8.49M	High
Wednesday, June 05, 2024						
1:30 PM	Europe	Final Services PMI	53.20	53.30	53.30	Medium
2:00 PM	UK	Final Services PMI	52.90	52.90	52.90	Medium
5:45 PM	US	ADP Non-Farm Employment Change	152k	175k	192k	High
7:30 PM	US	ISM Services PMI	53.80	51.00	49.40	High
8:00 PM	US	Crude Oil Inventories	1.2M		(-4.2)M	Medium
Thursday, June 06, 2024						
2:00 PM	UK	Construction PMI	-	52.50	53.00	Medium
5:45 PM	Europe	Main Refinancing Rate	-	4.25%	4.50%	High
6:00 PM	US	Unemployment Claims	-	215k	219k	Medium
6:15 PM	Europe	ECB Press Conference	-	-	-	High
8:00 PM	US	Natural Gas Storage	-	-	78B	Medium
Friday, June 07, 2024						
Tentative	China	Trade Balance	-		72.4B	Medium
10:00 AM	India	RBI Interest Rate Decision	-	6.5%	6.5%	High
11:30 AM	Europe	German Industrial Production m/m	-	0.1%	-0.4%	Medium
2:30 PM	Europe	Revised GDP q/q	-	0.3%	0.3%	Medium
6:00 PM	US	Average Hourly Earnings m/m	-	0.3%	0.2%	High
6:00 PM	US	Non-Farm Employment Change	-	185k	175k	High
6:00 PM	US	Unemployment Rate	-	3.9%	3.9%	High



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

Disclaimer



I/We, Jay Thakkar MBA (Finance), Raj Deepak Singh BE, MBA (Finance), Saif Mukadam BSc, MMS (Finance), Anup Sahu BSc, MBA (Finance) Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Disclaimer



Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.