

January 1, 2024

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	January	Sell	731-731.5	724	735	Intraday
EURINR	January	Sell	92.10-92.11	91.70	92.30	Intraday

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News and Developments

- Gold prices traded lower on Friday amid strong dollar. Also , higher global bond yields weighed on the precious metals to settles lower on the last trading day of the year. Silver lost the most on concerns about industrial metals demand after the US Dec Chicago PMI contracted more than expected.
- The US dollar index settled higher on Friday, but it ended the week on a loosing side amid increasing prospects of Fed rate cuts in the coming year
- US 10 year treasury yields traded above the 3.86% mark and the 2 year yields remained near 4.25%.
- The CME Fed-Watch tool indicates more than 73% probability of a 25 bps cut in March.
- NYMEX Crude oil futures lost almost 1% on the last trading day of the year amid concerns about increasing global supplies and slowing demand growth. Further easing concerns in the Red Sea also weighed on the prices to slide towards the \$71 mark.
- Copper prices edged lower on Friday amid recovery in the dollar and year-end profit taking after rallying to its highest level in last 3-months. Persistence supply concerns and depleting stocks in China has limited the downside in the red metal.
- NYMEX natural gas futures took a pause and edged lower on Friday as a mild December dampened the demand outlook. Further, mild weather forecast in the US has also checked any major upside in the gas prices

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	63203	-0.29%	2062.98	-0.13%
Silver	74430	-0.71%	23.80	-0.75%
Copper	730.6	-0.56%	8559.00	-0.76%
Aluminium	212.0	0.38%	2384.00	0.25%
Zinc	233.3	0.58%	2658.00	0.64%
Lead	182.9	-0.11%	2068.50	-0.86%
WTI Crude Oil	6007	-0.68%	71.65	-0.17%
US Nat Gas	211.9	-0.19%	2.51	-1.68%

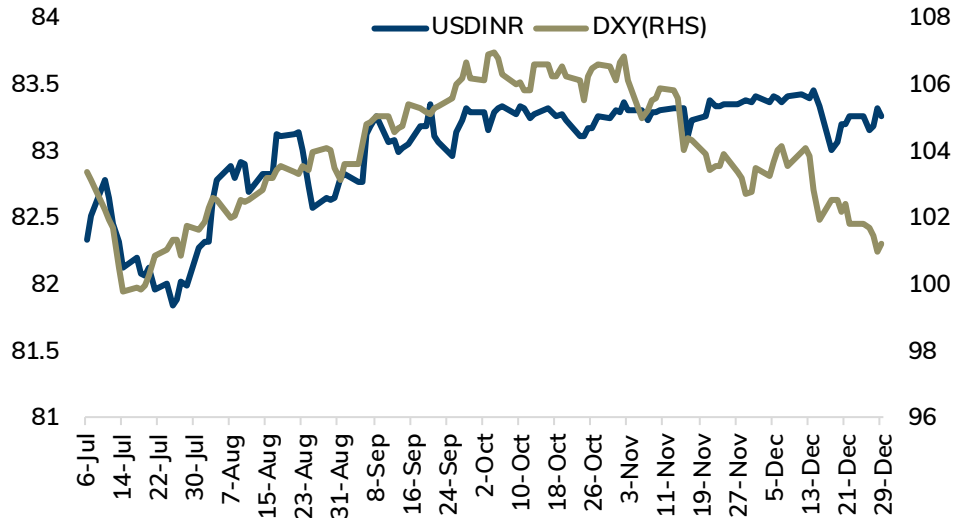
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Dec)	83.26	-0.02%	3861053	-43896	1845277	-350899
EURINR (27th Dec)	92.14	-0.54%	350381	-43990	210276	-20480
GBPINR (27th Dec)	105.95	-0.50%	258452	-38544	287151	74657

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	January	Sell	6080-6100	5900	6200	Not Initiated
USDINR	January	Sell	83.27-83.28	83.09	83.39	Exit

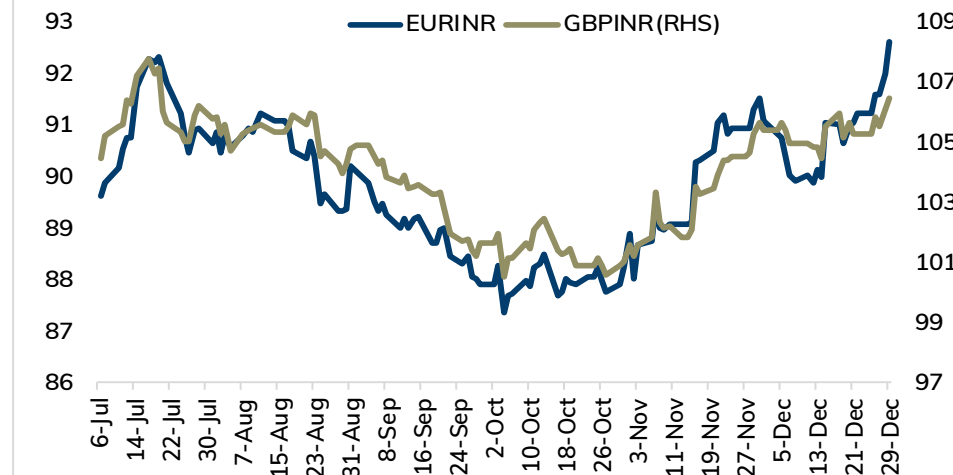
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee appreciated marginally on Friday amid uptick in Asian currencies, persistent FII inflows and softening of crude oil prices. Meanwhile, sharp gains were prevented on weak domestic market sentiments and month end dollar demand from importers
- Rupee is likely to trade in tight range amid muted domestic market sentiments. Further, trading activity will be subdued as most of global markets will remain closed on account of New Year's day. USDINR Jan may trade in a range of 83.40-83.20 levels.

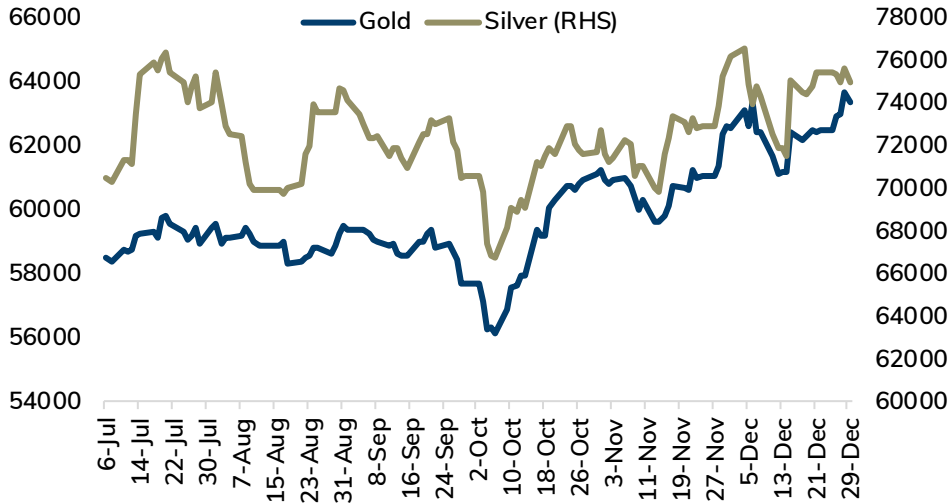
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro declined by 0.21% on Friday amid rebound in dollar. Further, euro slipped after CPI data from Spain signaled easing price pressure. Core CPI eased to 3.8% in December from 4.5% in November. Meanwhile, further downside was cushioned as German bund yields jump to 1½ week high. For today, EURINR Jan may slip towards 91.70 level as long as it trades below 92.30 levels.
- Pound slipped by 0.07% on Friday amid recovery in dollar and muted domestic market sentiments. For today, GBPINR Jan is likely to move south towards 105.70 level as long as it stays below 106.30 levels. A move below 105.70 levels may open doors for 105.50 levels. On a flip side move above 106.30 GBPINR may rally further towards 106.50 levels

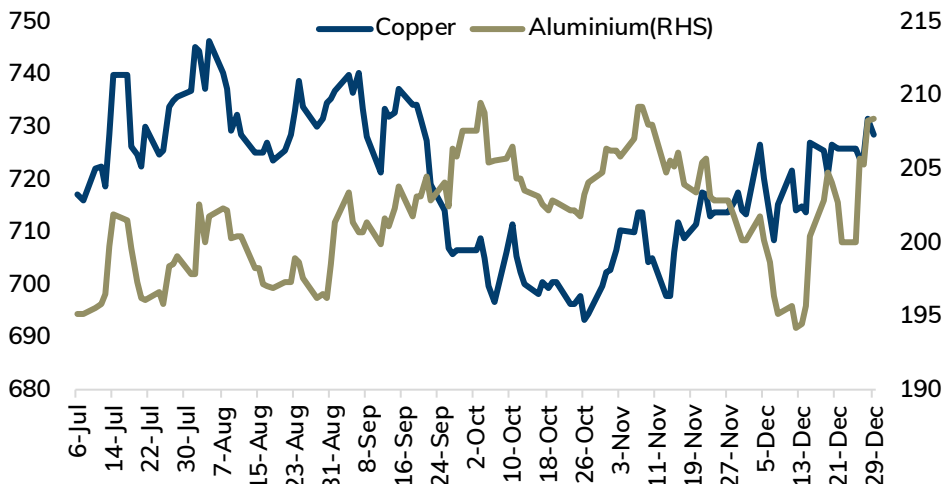
MCX Gold vs. Silver



Bullion Outlook

- Gold prices are likely to trade in a very thin range as most of the Global market are closed on the eve of New Year's Day. Meanwhile, increasing probability of rate cut in March would support the bullions to hold their ground. Further, investors will keep an eye on major economic numbers from the US this week to measure the frequency of rate cut in the coming year.
- MCX gold is expected to remain inside the range of 63,000 and 63,400. Only a move above 63,400 would open the doors towards 63,800.
- MCX silver is likely to hold the support of 50 day EMA at 73600 and rise towards 74,800. Only close above 74,800, it would extend its gains towards 75,500.

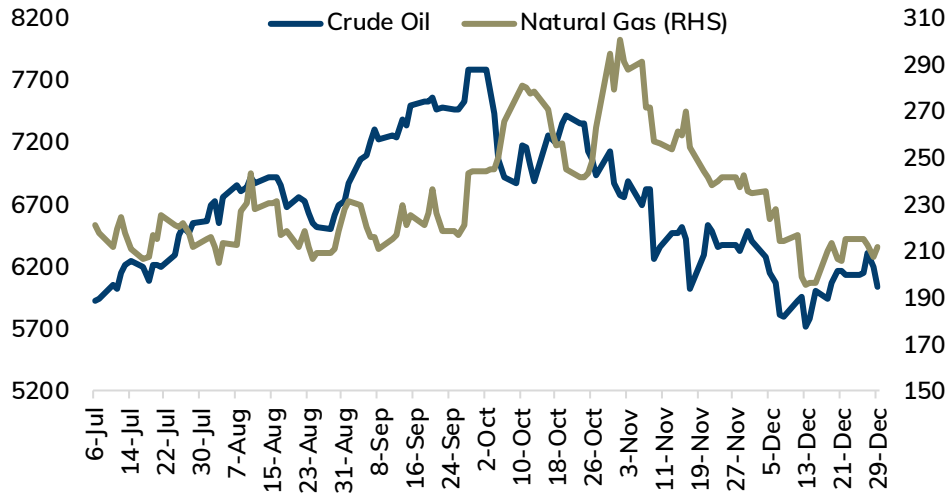
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade lower today amid weakness in the manufacturing activity in China. Factory activity shrinks more than expected last month and contracted for the third straight month in December. Meanwhile, depleting stocks in SHFE and persistence supply concerns would limit the downside in the red metal.
- MCX Copper January is expected to face the hurdle near 733 and weaken towards 727 mark. Below 727, it would slide further towards 721.
- Aluminum is expected to face the hurdle near 213 and weaken towards 210.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- Crude oil prices are likely to weaken further amid easing concerns in the Red Sea. Further, increasing Global supplies and slowing demand from China would also weigh on the oil prices. Meanwhile, trading holiday in most of the markets could lead to a less volatile session in the domestic exchange.
- MCX Crude oil January is likely to move in the range 5900-6100. Only close below 5900, would weaken it again towards the 5800 mark.
- MCX Natural gas January future is likely to face the hurdle near 215 and move lower towards 205 amid higher inventory levels and mild weather in US.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	62879	63041	63213	63375	63547
Silver	73238	73834	74237	74833	75236
Copper	724.8	727.7	731.5	734.4	738.2
Aluminium	209.8	210.9	211.7	212.8	213.6
Zinc	230.3	231.8	232.9	234.4	235.5
Lead	181.7	182.3	182.9	183.5	184.0
Crude Oil	5914	5961	6011	6058	6108
Nat Gas	206	209	211	215	217

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	83.09	83.18	83.26	83.34	83.42
US\$INR (Feb)	83.20	83.27	83.33	83.40	83.46
EURINR (Jan)	91.93	92.03	92.14	92.25	92.36
EURINR (Feb)	92.09	92.18	92.26	92.35	92.44
GBPINR (Jan)	105.49	105.72	105.99	106.23	106.50
GBPINR (Feb)	105.56	105.78	106.05	106.28	106.55
JPYINR (Jan)	58.76	58.88	59.06	59.17	59.35
JPYINR (Feb)	59.10	59.22	59.40	59.51	59.69

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	101.33	101.23	0.10%
US\$INR	83.21	83.17	0.04%
EURUSD	1.1039	1.1061	-0.20%
EURINR	91.94	92.58	-0.69%
GBPUSD	1.2731	1.2733	-0.02%
GBPINR	105.73	106.42	-0.65%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.174	7.211	-0.037
US	3.879	3.844	0.0348
Germany	2.024	1.944	0.08
UK	3.537	3.493	0.044
Japan	0.614	0.595	0.019

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
12/28/2023	9:00 PM	-7.1M	-2.7M
12/20/2023	9:00 PM	2.9M	-2.3M
12/13/2023	9:00 PM	-4.3M	-1.9M
12/6/2023	9:00 PM	-4.6M	-1.3M
11/29/2023	9:00 PM	1.6M	-0.1M
11/22/2023	9:00 PM	8.7M	0.9M
11/15/2023	9:00 PM	3.6M	2.5M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	167300	525	0.31%
Aluminium	549050	-2000	-0.36%
Zinc	224825	2700	1.22%
Lead	135700	11150	8.95%
Nickel	64056	2034	3.28%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, January 01, 2024						
All Day	US	Bank Holiday	-	-	-	Medium
Tuesday, January 02, 2024						
7:15 AM	China	Caixin Manufacturing PMI	-	50.4	50.7	High
8:30 PM	US	Construction Spending m/m	-	0.60%	0.60%	Medium
Wednesday, January 03, 2024						
8:30 PM	US	ISM Manufacturing PMI	-	47.2	46.7	High
8:30 PM	US	JOLTS Job Openings	-	8.85M	8.73M	High
Thursday, January 04, 2024						
12:30 AM	US	FOMC Meeting Minutes	-	-	-	High
7:15 AM	China	Caixin Services PMI	-	51.6	51.5	High
6:30 PM	Europe	German Prelim CPI m/m	-	0.20%	-0.40%	High
6:45 PM	US	ADP Non-Farm Employment Change	-	-	103K	High
7:00 PM	US	Unemployment Claims	-	210K	218K	High
9:00 PM	US	Natural Gas Storage	-	-	-87B	Medium
9:30 PM	US	Crude Oil Inventories	-	-	-7.1M	Medium
Friday, January 05, 2024						
3:00 PM	UK	Construction PMI	-	46.1	45.5	Medium
3:30 PM	Europe	CPI Flash Estimate y/y	-	3%	2.40%	Medium
7:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.40%	High
7:00 PM	US	Non-Farm Employment Change	-	168K	199K	High
7:00 PM	US	Unemployment Rate	-	3.80%	3.70%	High
8:30 PM	US	ISM Services PMI	-	52.5	52.7	High



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