

December 11, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	December	Buy	829-829.50	836	825	Intraday

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News and Developments

- Spot gold prices gained almost 1% on Tuesday amid safe haven buying in response to the Fresh turmoil in Middle East. Further, growing bets of loose monetary policy from major central banks also supported the bullions to rise towards \$2700.
- Silver prices extended its gains for the 2nd day in a row and steadied above the \$32 mark amid growing prospects of lower interest rates in the coming year. Further, policy shift from China also raised its demand outlook.
- The US dollar index traded higher amid dovish expectations from major central banks outside the US. This week bank of Canada is expected to lower the rates by 50 bps, where as ECB and SNB are likely to lower the rates by 25 bps. Further, better than expected US economic numbers also supported the dollar to stay firm
- US treasury yields extended its rebound on Tuesday ahead of the key CPI and PPI data, any sign of pickup in inflation would derail the Fed's rate cut path.
- NYMEX Crude oil prices edged higher amid demand optimism from China. Last month trade data signaled demand improvement as crude oil imports rose to 11.81 million bpd which is 14.3% higher than same month in 2023. Further, geopolitical risk also supported oil prices to recover its earlier losses.
- Copper prices eased from its 1-month high but traded firm amid growing bets of fresh round of stimulus from China. Further, better than expected trade balance numbers also supported the metals to hold firm. After a strong rebound in October, exports from the world's second-largest economy grew by 6.7% YoY to US\$312.31 billion in November.
- NYMEX Natural gas prices edged lower amid mild weather forecast in some parts of US.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	78338	1.10%	2694.3	1.28%
Silver	95525	0.34%	31.91	0.23%
Copper	830.7	-0.05%	9216.5	-0.17%
Aluminium	245.5	0.72%	2608.5	0.79%
Zinc	292.8	0.36%	3135.0	0.29%
Lead	180.7	-0.25%	2064.5	-0.15%
WTI Crude Oil	5845	0.34%	68.59	0.32%
US Nat Gas	267.7	-1.40%	3.16	-0.60%

Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th December)	84.96	0.15%	3553020	200560	613369	473879
EURINR (27th December)	89.58	-0.24%	17176	-150	1395	-6075
GBPINR (27th December)	108.34	0.01%	21975	-10	1557	-11572

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	January	Buy	76700-76750	77450	76400	Not Initiated

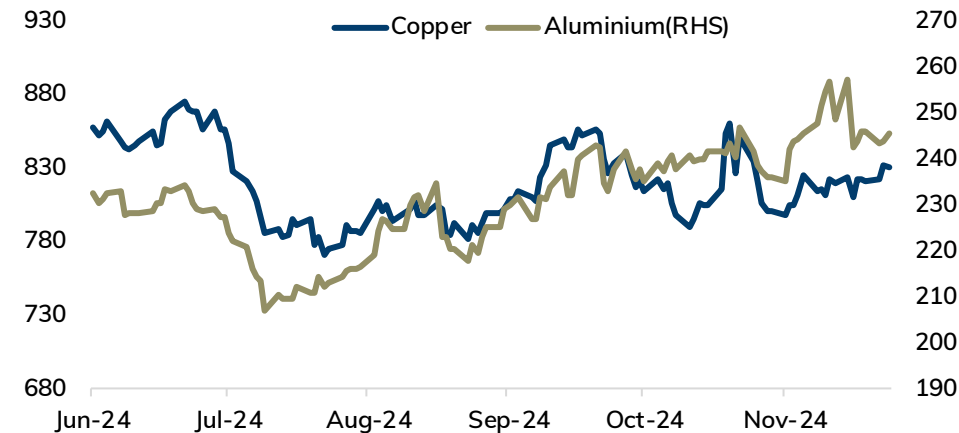
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to face the hurdle near \$2725 and move lower towards \$2660 amid strong dollar. Sticky inflation numbers could derail the Fed's stance on December rate cut and weigh on the bullions to trade lower. Meanwhile, growing prospects of loose monetary policy from major central banks and escalating geopolitical tension in the Middle East would provide support to the yellow metal. Moreover, focus will remain on this week's key inflation numbers which could give further clarity on central banks' next move.
- Spot gold is likely to face the hurdle near \$2725 and move towards \$2660. A strong call base near 2725 and 2750 strike indicates prices to face stiff resistance and move towards \$2660. MCX Gold February is expected to face the hurdle near 79,000 and move towards 77,700.
- Spot silver has been trading above its 4-week high of \$31.60, indicating a bullish bias. MCX Silver March is expected to move towards 97,200, as long as it holds above 94,000.

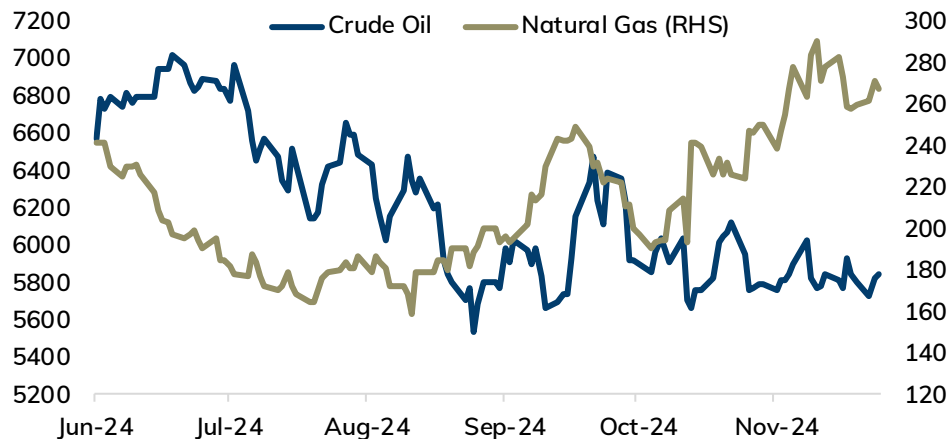
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to move higher on hopes that China stimulus and fiscal measures would boost demand. Latest measures from China indicate a more pro-active policy measure to counter the sluggish growth in the economy. Further, year-end demand and improved new loans would provide support to the yellow metal. Additionally, data from China showed November copper imports hit a 1-year high, signaling demand.
- MCX Copper December is expected to hold its gains and move towards 840, as long as it holds above 20-day EMA 820. Reversal in the oscillator would also indicate an upward movement in the red metal.
- Aluminium is expected to hold the support of 20-day EMA at 242 and move towards 246 amid higher global premiums and supply concerns from China.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to face the hurdle near \$70 and move lower towards \$67 amid improving oil supply scenario. API data suggested a surprise rise in oil inventory by 0.49 million barrels last week. It was the 5th week rise in last 8 weeks signaling improved supplies from US. Meanwhile,, escalating geopolitical tension in the Middle East and concerns in Syria could provide some support to oil prices. Further, hopes of fresh round of stimulus from China and lower interest rates from other central banks would improve the risk appetite.
- On the data front, closer of OI in ATM and OTM call strikes indicates a short term rebound in price. But higher OI concentration near 70 call strike would act as major resistance. MCX Crude oil December is likely to face the hurdle near 5950 and move lower towards 5700.
- MCX Natural gas December future is expected to hold the 20 day EMA support at 260 and move towards 276.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	77095	77716	78042	78663	78989
Silver	94002	94763	95244	96005	96486
Copper	821.1	825.9	828.8	833.5	836.4
Aluminium	241.6	243.5	244.6	246.5	247.5
Zinc	288.3	290.5	291.7	294.0	295.2
Lead	180.0	180.4	180.8	181.1	181.5
Crude Oil	5716	5780	5824	5888	5932
Nat Gas	257	262	266	272	276

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Dec)	84.82	84.89	84.93	85.00	85.04
US\$INR (Jan)	84.99	85.05	85.08	85.14	85.18
EURINR (Dec)	89.39	89.49	89.66	89.75	89.92
EURINR (Jan)	89.43	89.71	90.28	90.57	91.14
GBPINR (Dec)	108.10	108.22	108.30	108.42	108.50
GBPINR (Jan)	107.96	108.56	107.96	108.56	107.96
JPYINR (Dec)	56.66	56.76	56.91	57.01	57.15
JPYINR (Jan)	58.15	57.30	58.15	57.30	58.15

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	106.15	106.06	0.08%
US\$INR	84.73	84.70	0.04%
EURUSD	1.0554	1.0568	-0.13%
EURINR	89.54	89.59	-0.06%
GBPUSD	1.2750	1.2744	0.05%
GBPINR	108.19	108.07	0.11%

10-year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.718	6.745	-0.03
US	4.201	4.153	0.05
Germany	2.121	2.108	0.01
UK	4.270	4.275	-0.01
Japan	1.053	1.060	-0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
04-12-2024	9:00 PM	-5.1M	-1.6M
27-11-2024	9:00 PM	-1.8M	-1.3M
20-11-2024	9:00 PM	0.5M	-0.1M
14-11-2024	9:00 PM	2.1M	0.4M
06-11-2024	9:00 PM	2.1M	0.3M
30-10-2024	8:00 PM	-0.5M	1.5M
23-10-2024	8:00 PM	5.5M	0.9M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	268100	-1700	-0.63%
Aluminium	679600	-2000	-0.29%
Zinc	277050	-1075	-0.39%
Lead	268550	-2750	-1.01%
Nickel	165810	-612	-0.37%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, December 9, 2024						
7:00 AM	China	CPI y/y	0.20%	0.40%	0.30%	High
7:00 AM	China	PPI y/y	-2.50%	-2.80%	-2.90%	High
3:00 PM	Europe	Sentix Investor Confidence	-17.5	-12.4	-12.8	Medium
Tuesday, December 10, 2024						
Tentative	China	Trade Balance	693B	682B	679B	Medium
Wednesday, December 11, 2024						
7:00 PM	US	CPI y/y	-	2.70%	2.60%	High
9:00 PM	US	Crude Oil Inventories	-	-	-5.1M	Medium
Thursday, December 12, 2024						
4:00 PM	India	CPI y/y	-	5.50%	6.21%	High
6:45 PM	Europe	Main Refinancing Rate	-	3.15%	3.40%	High
7:00 PM	US	PPI m/m	-	0.30%	0.20%	High
7:00 PM	US	Unemployment Claims	-	221K	224K	High
9:00 PM	US	Natural Gas Storage	-	-	-30B	Medium
Friday, December 13, 2024						
5:20 AM	Japan	Tankan Manufacturing Index	-	13	13	Medium
12:30 PM	UK	GDP m/m	-	0.10%	-0.10%	High
3:30 PM	Europe	Industrial Production m/m	-	-0.10%	-2.00%	Medium
7:00 PM	US	Import Prices m/m	-	-0.20%	0.30%	Medium



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