

March 5, 2024

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	April	Buy	64150-64160	64750	63800	Intraday
GBPINR	March	Buy	105.13-105.15	105.50	104.95	Intraday

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News and Developments

- Gold prices extended its gains on Monday and hit fresh highs despite rise in US treasury yields. Spot gold went past above the psychological mark of \$2100 after muted economic numbers brightened expectations of a US interest rate cut by June.
- Silver prices gained the most and hit its 7-week high following the yellow metal and decline in US dollar index
- The US dollar index edged lower amid increasing bets of interest rate cut in June.
- As per the CME Fed-watch tool June rate cut bets remained above the 54% against previous week's reading of 53%.
- US 10-year treasury yields rose to 4.22% and the 2-year treasury yield, which typically moves in step with interest rate moved towards 4.61%.
- NYMEX crude oil prices edged lower on Monday amid increase in crude oil production from OPEC members last month. OPEC Feb crude production rose +110,000 bpd to 26.680 million bpd, a bearish factor for oil prices as Iraq and UAE continue to pump above their production quotas. Meanwhile, persistent geopolitical tension in the Mideast and better than expected demand in US limited its downside.
- Copper prices traded higher as most investors expects fresh round of stimulus from China. Further, decline in the US dollar index amid hopes of interest rate cut in June supported the metal to edge higher. Additionally, depleting inventory levels in LME also supported its gains.
- NYMEX natural gas prices rallied more than 6% yesterday amid expectation of lower production from producers to tackle multi year low gas prices.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	64462	1.41%	2114.48	1.52%
Silver	71117	0.89%	23.89	3.30%
Copper	728.4	0.05%	8542.50	0.46%
Aluminium	202.1	0.30%	2234.00	-0.49%
Zinc	216.5	0.98%	2449.00	1.32%
Lead	178.2	0.20%	2052.50	0.88%
WTI Crude Oil	6527	-1.67%	78.74	-1.54%
US Nat Gas	162.6	6.21%	1.92	4.41%

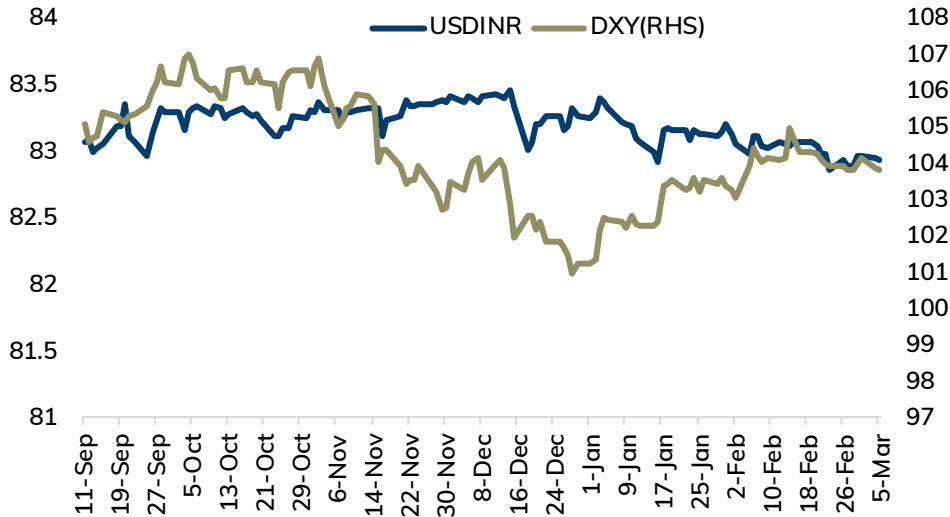
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Mar)	82.93	-0.02%	2708982	83791	1778468	52110
EURINR (26th Mar)	90.08	0.32%	112284	-1766	142756	-42072
GBPINR (26th Mar)	105.14	0.29%	206462	-12310	175393	-32632

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	March	Buy	6590-6600	6750	6520	Stop Loss triggered
EURINR	March	Buy	89.88-89.90	90.30	89.70	Not Initiated

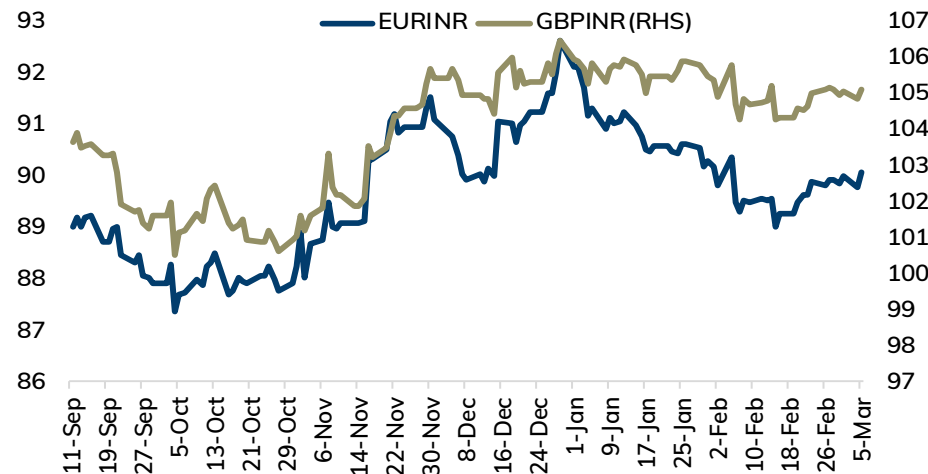
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee appreciated marginally yesterday amid weakness in dollar and optimistic domestic market sentiments. Meanwhile, dollar demand from state run banks offset positive cues.
- Rupee is likely to appreciate today amid soft dollar and decline in crude oil prices. Dollar is moving south ahead of slew of economic data, as it could provide fresh cues on when Fed would start cutting rates this year. Markets currently imply around 53% chance the Federal Reserve will start cutting rates in June and ease by around 75 bps this year. Moreover, rise in risk appetite in the domestic market and FII inflows would aid rupee to gain strength. USDINR March likely to slip towards 82.80 levels as long as it sustains below 83.00 levels

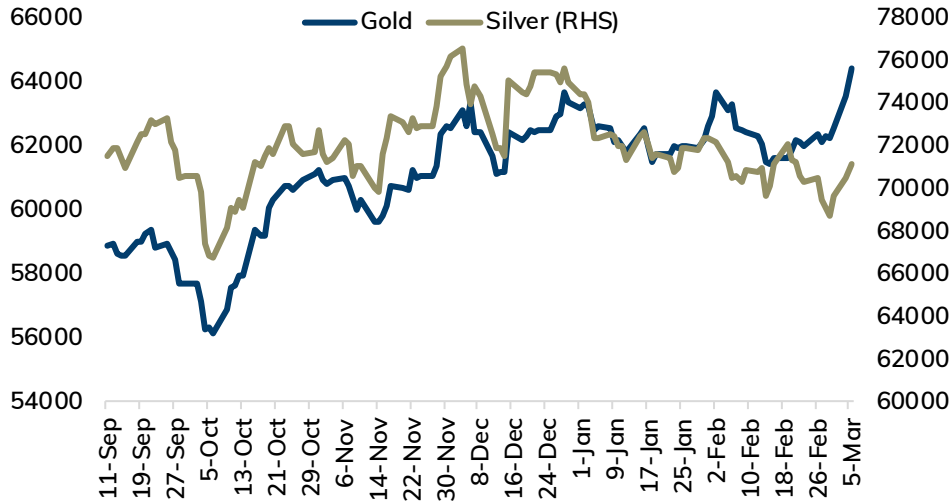
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro edged higher by 0.17% yesterday amid weak dollar and positive economic data from euro zone. Eurozone March Sentix investor confidence index rose more than expected to an 11 month high. For today, EURUSD is likely to hold the support near 1.0830 level and rise towards 1.0880 level amid soft dollar and as most ECB policymakers have been cautious about suggesting that they will be cutting interest rates soon. EURINR March may rise towards 90.40 level as long as it trades above 89.90 levels
- Pound is expected to rise further towards 1.2720 level amid soft dollar and ahead of British budget. Further, BOE is expected to lag US Fed and ECB when it comes to rate cuts. GBPINR March is likely to move north towards 105.50 level as long as it stays above 104.90 levels

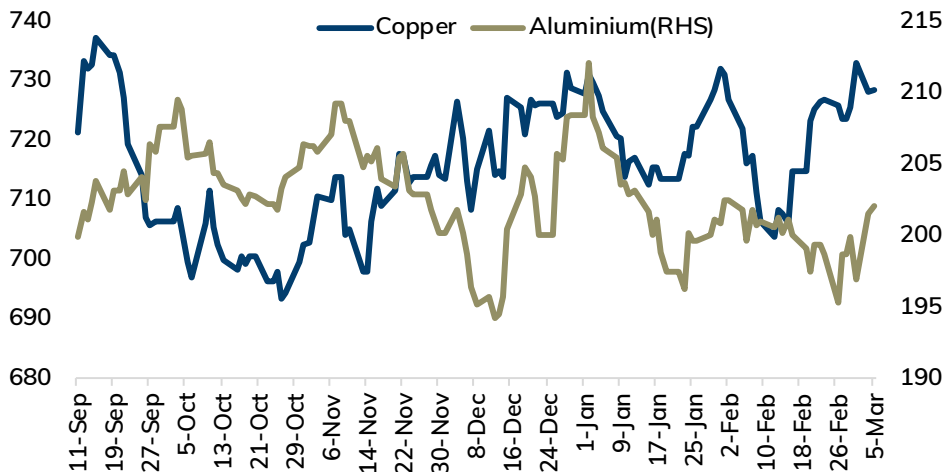
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold the support of \$2090 and rise towards \$2130, amid softness in the dollar and decline in US treasury yields. The US dollar index is expected to remain under pressure amid forecast of weak economic numbers from US. ISM service PMI is expected grow at a slower pace than last month and factory orders data is likely to show negative growth. Further, safe haven appeal for the metal would provide enough support to the bullions to hold firm. Meanwhile, investors will eye on comments from the Fed members to get more clarity on the timing of first interest rate cut.
- MCX Gold April price is expected to hold the support near 64000 and extend its rally towards 64900.
- MCX Silver May is likely to rise towards 74200, as long as it holds above the key support of 72,800.

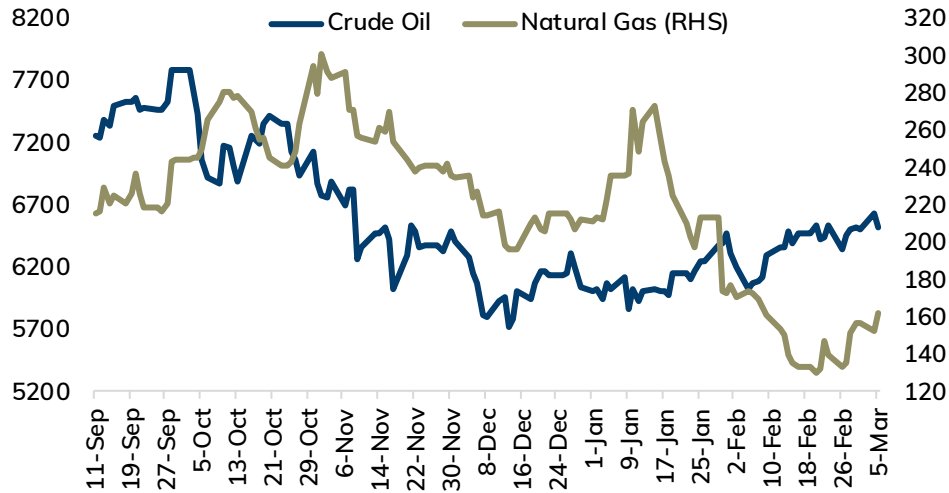
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to move in a tight range ahead of the China's annual parliamentary meeting, which starts from today. Despite hopes of fresh round of stimulus from China price may face resistance due to weaker Chinese factory activity numbers and its struggling housing sector. Prices could find support on depleting LME inventories which dipped to its July lows. Further, investors will eye on economic numbers from US to get further clarity on interest rate path.
- MCX Copper March is expected to move in the band of 723 and 733. Only close above 733, it would move higher towards 738
- Aluminum March future is expected to hold the support near 200 and extend its rebound towards 203. Above 203 it would rise towards 205.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to find support near \$77.80 and move higher towards \$80 amid tight supplies after OPEC+ members agreed to extend its voluntary production cuts of 2.2 Mbd into the second quarter. Further, rising geopolitical tension in the Mideast and Houthi attacks on Red Sea shipping despite concerns on economic growth would help the oil prices to recover its earlier losses. Moreover, softness in the dollar amid increasing bets of rate cut in June would also support the oil price.
- MCX Crude oil March is expected to find support near 6470 and rise towards 6650. Only close below 6470 it would turn weaker.
- MCX Natural gas March futures is expected to move in the band of 158 to 166. Only a sustained move above 166 it would open the doors towards 172.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	62972	63717	64146	64891	65320
Silver	69579	70348	71124	71893	72669
Copper	722.4	725.4	729.2	732.2	736.0
Aluminium	200.5	201.3	201.8	202.6	203.1
Zinc	211.1	213.8	216.0	218.7	220.8
Lead	177.2	177.7	178.0	178.5	178.9
Crude Oil	6426	6476	6568	6618	6710
Nat Gas	149	156	161	168	172

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	82.87	82.90	82.93	82.96	82.98
US\$INR (Apr)	82.99	83.02	83.04	83.07	83.10
EURINR (Mar)	89.85	89.96	90.04	90.16	90.24
EURINR (Apr)	89.98	90.13	90.22	90.37	90.46
GBPINR (Mar)	104.87	105.01	105.10	105.23	105.33
GBPINR (Apr)	104.99	105.11	105.20	105.32	105.41
JPYINR (Mar)	55.29	55.35	55.45	55.51	55.61
JPYINR (Apr)	55.72	55.78	55.88	55.94	56.04

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	103.83	103.86	-0.03%
US\$INR	82.89	82.91	-0.02%
EURUSD	1.0856	1.0837	0.18%
EURINR	89.93	89.68	0.28%
GBPUSD	1.2692	1.2655	0.29%
GBPINR	105.09	104.72	0.35%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.061	7.057	0.004
US	4.213	4.180	0.0333
Germany	2.392	2.414	-0.022
UK	4.117	4.114	0.003
Japan	0.719	0.717	0.002

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
2/7/2024	9:00 PM	5.5M	1.7M
1/31/2024	9:00 PM	1.2M	-0.8M
1/24/2024	9:00 PM	-9.2M	-1.2M
1/18/2024	9:30 PM	-2.5M	-0.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	116775	-4600	-3.79%
Aluminium	586600	-2475	-0.42%
Zinc	275800	-150	-0.05%
Lead	183100	3850	2.15%
Nickel	73992	204	0.28%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, March 04, 2024						
3:00 PM	Europe	Sentix Investor Confidence	-10.5	-10.8	-12.9	Medium
Tuesday, March 05, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	2.50%	2.50%	1.60%	Medium
7:15 AM	China	Caixin Services PMI	52.5	52.9	52.7	Medium
8:30 PM	US	ISM Services PMI	-	52.9	53.4	High
Wednesday, March 06, 2024						
3:00 PM	UK	Construction PMI	-	49	48.8	Medium
6:45 PM	US	ADP Non-Farm Employment Change	-	145K	107K	High
8:30 PM	US	Fed Chair Powell Testifies	-	-	-	High
8:30 PM	US	JOLTS Job Openings	-	8.90M	9.03M	High
9:00 PM	US	Crude Oil Inventories	-	-	4.2M	Medium
Thursday, March 07, 2024						
Tentative	China	Trade Balance	-	620B	541B	Medium
12:30 PM	Europe	German Factory Orders m/m	-	-6%	8.90%	High
6:45 PM	Europe	Main Refinancing Rate	-	4.50%	4.50%	High
7:00 PM	US	Unemployment Claims	-	212K	215K	High
8:30 PM	US	Fed Chair Powell Testifies	-	-	-	High
9:00 PM	US	Natural Gas Storage	-	-	-96B	Medium
Friday, March 08, 2024						
12:30 PM	Europe	German Industrial Production m/m	-	0.50%	-1.60%	Medium
7:00 AM	US	Average Hourly Earnings m/m	-	0.20%	0.60%	High
7:00 AM	US	Non-Farm Employment Change	-	190K	353K	High
7:00 AM	US	Unemployment Rate	-	3.70%	3.70%	High



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