

July 2, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	July	Buy	6880-6900	7070	6800	Intraday

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## News and Developments

- Gold prices pared its earlier gains but managed to edge higher as weaker than expected US ISM manufacturing PMI data for the third straight month increased the bets of early interest rate cut by the Federal Reserve.
- Spot silver prices eased from its highs amid demand uncertainties after weaker than expected manufacturing activity in Europe and US
- Dollar index trimmed its earlier losses as most investors awaited key economic numbers to get more clarity on the interest rate path. Further, weakness in Euro supported the US dollar index to rebound from its day's lows. Earlier it traded lower as weaker than expected US ISM manufacturing PMI data weighed on it.
- US 10-year treasury yields moved higher and hit its 4-week high on Monday at 4.48% and the 2-year treasury yields steadied near 4.78
- NYMEX Crude oil prices rallied almost 2% on Monday amid ongoing conflict between Israel and Hamas. Further, there is also concern that the war might spread to Hezbollah in Lebanon which might hurt the global supplies. Prices also found support amid reports of decline in floating storage last week and increasing demand amid peak summer driving season in US.
- Copper prices rebounded from its 2-month lows amid softness in the dollar and better than expected Chinese Caixin manufacturing PMI data. Meanwhile, weaker than expected manufacturing activity in Europe and US checked its upside. Further, rising inventory levels in LME weighed on the metal to trim its gains.
- Natural Gas prices remained under pressure and lost more than 3% amid rise in US gas production.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71654	0.10%	2331.90	0.22%
Silver	87522	0.41%	29.45	1.06%
Copper	848.5	0.95%	9630.00	0.32%
Aluminium	231.6	0.50%	2515.50	-0.36%
Zinc	264.0	-0.51%	2928.50	-0.31%
Lead	190.3	0.34%	2218.50	-0.25%
WTI Crude Oil	6950	2.13%	83.38	2.26%
US Nat Gas	209.5	-3.81%	2.48	-4.73%

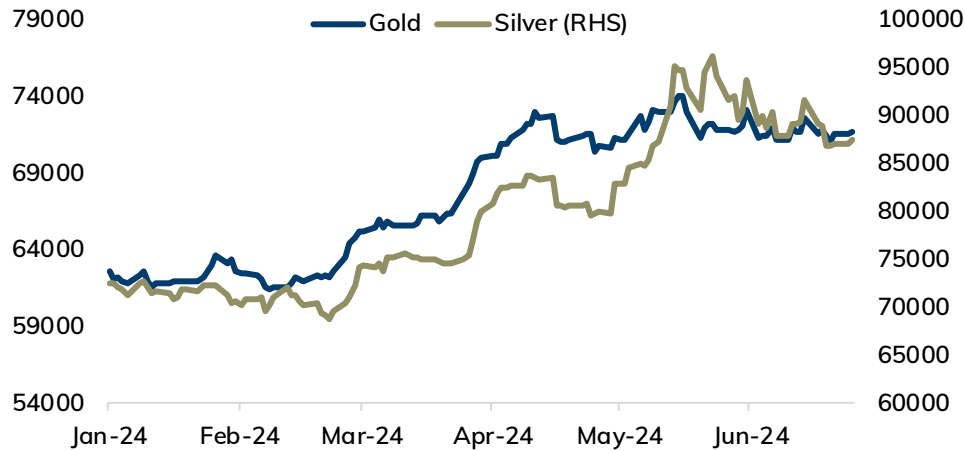
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th July)	83.51	0.08%	2455238	10503	75187	-53912
EURINR (29th July)	89.85	0.46%	12720	1328	8018	6894
GBPINR (29th July)	105.69	0.14%	6293	336	1423	-280

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	July	Buy	6740-6750	6900	6650	Not initiated

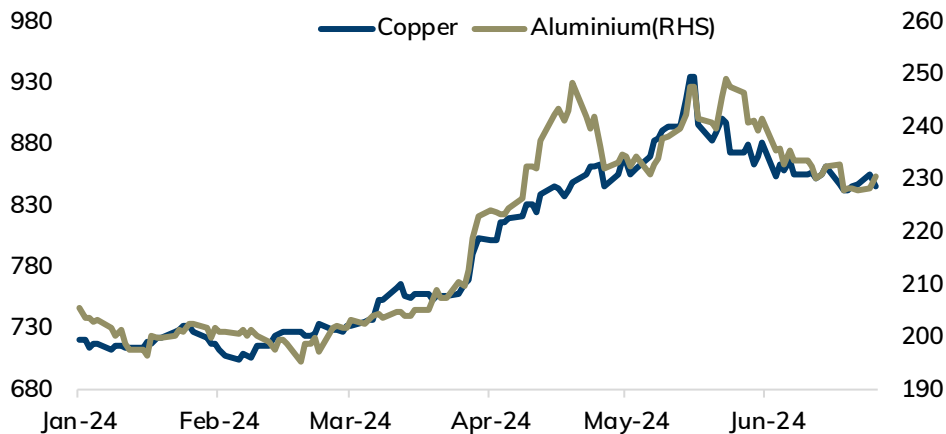
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected to hold its ground near \$2300 and rise towards \$2345 on increasing bets that the Federal reserve will start reducing interest rates this year. Moderation in US consumer spending along with rising continuous claims would push the Fed to lower its rates. Further, expectation of weaker JOLTs job opening reports would also support the bullions to trade higher. Meanwhile, focus will remain on Fed chair's speech which could bring more clarity in its direction.
- MCX Gold Aug is expected to hold the key support near 71,200 and move back towards 72,000. Formation of bullish engulfing pattern on the daily charts would help the metal to regain its strength. Only close below 70,800, it would weaken towards 70,200.
- MCX Silver September is expected to hold the support near 20 day EMA 89,000 and rise towards 90,500. Only move below, 89,000 it will slide towards 88,200.

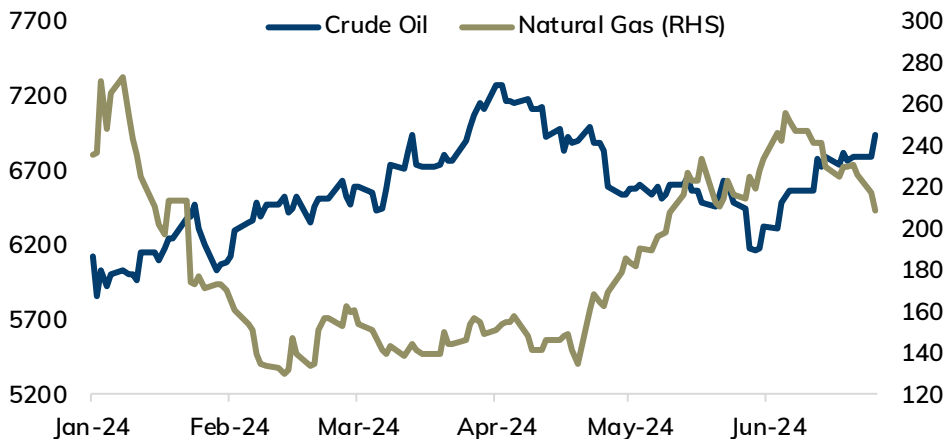
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade lower amid demand concerns from the top metal consumer China. Weaker than expected manufacturing activity in major economies would hurt the demand outlook of the metal. Further, surge in inventory levels and low local premiums in China contradicts the copper market tightness. Meanwhile, focus will remain on key economic numbers from US and comments from Federal Reserve officials.
- MCX Copper July is expected to face the hurdle near 10 day EMA at 850 and move lower towards 834. Bearish crossover of 10 and 20 day EMA along with weakness in the RSI would weigh on the metal.
- Aluminum is expected to trade weak and move towards 228, as long as it remains under 233 mark. Increasing production from China and higher LME inventory would check its upside.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$85 mark amid rise in demand over the summer driving season in US. Further, increasing geopolitical tension in the Middle east would hurt global supplies. A decrease in crude oil production in June by OPEC would support the prices. Further, expectation of lower production from US ahead of the hurricane season would support its gains. Meanwhile, focus will remain on US Jolts job opening numbers and speech from the Fed chair Powell which could give further clarity on timing of rate cut.
- MCX Crude oil July is likely to rise towards 7080, as long as it holds above the 10 day EMA at 6800. Strength in the oscillator (RSI) and bullish cross over of 5 and 10 day EMA would support it to trade higher.
- MCX Natural gas July is likely to dip towards 204, as long as it trades under the 5 day EMA at 220

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71135	71394	71635	71894	72135
Silver	86221	86871	87360	88010	88499
Copper	834.0	841.3	846.0	853.2	857.9
Aluminium	229.0	230.3	231.4	232.7	233.9
Zinc	260.0	262.0	264.3	266.3	268.5
Lead	190.1	190.2	190.3	190.4	190.5
Crude Oil	6767	6859	6908	7000	7049
Nat Gas	204	207	211	214	219

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (July)	83.41	83.46	83.50	83.55	83.59
US\$INR (Aug)	83.49	83.54	83.57	83.62	83.65
EURINR (July)	89.42	89.64	89.81	90.03	90.20
EURINR (Aug)	89.87	90.02	90.10	90.25	90.33
GBPINR (July)	105.40	105.55	105.69	105.84	105.99
GBPINR (Aug)	105.45	105.64	105.75	105.94	106.06
JPYINR (July)	52.32	52.36	52.44	52.48	52.56
JPYINR (Aug)	52.45	52.39	52.50	52.45	52.55

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.90	105.87	0.03%
US\$INR	83.45	83.39	0.07%
EURUSD	1.0740	1.0713	0.25%
EURINR	89.78	89.30	0.53%
GBPUSD	1.2650	1.2645	0.04%
GBPINR	105.74	105.48	0.25%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.011	7.009	0.00
US	4.461	4.396	0.01
Germany	2.607	2.500	0.04
UK	4.281	4.172	0.03
Japan	1.061	1.057	0.00

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
6/26/2024	8:00 PM	3.6M	-2.6M
6/20/2024	8:30 PM	-2.5M	-2.8M
6/12/2024	8:00 PM	3.7M	-1.2M
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

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	180050	-75	-0.04%
Aluminium	1021350	-5575	-0.54%
Zinc	261850	-225	-0.09%
Lead	224200	-175	-0.08%
Nickel	95436	402	0.42%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, July 01, 2024						
7:15 AM	China	Caixin Manufacturing PMI	51.8	51.5	51.7	Medium
All Day	Europe	German Prelim CPI m/m	0.10%	0.20%	0.10%	High
7:30 PM	US	ISM Manufacturing PMI	48.5	49.2	48.7	High
Tuesday, July 02, 2024						
2:30 PM	Europe	CPI Flash Estimate y/y	-	2.50%	2.60%	High
7:00 PM	US	Fed Chair Powell Speaks	-	-	-	High
7:30 PM	US	JOLTS Job Openings	-	7.86M	8.06M	High
Wednesday, July 03, 2024						
7:15 AM	China	Caixin Services PMI	-	53.4	54	Medium
5:45 PM	US	ADP Non-Farm Employment Change	-	156K	152K	High
6:00 PM	US	Unemployment Claims	-	235K	233K	High
7:30 PM	US	ISM Services PMI	-	52.5	53.8	High
8:00 PM	US	Crude Oil Inventories	-	-	3.6M	Medium
11:30 PM	US	FOMC Meeting Minutes	-	-	-	High
Thursday, July 04, 2024						
11:30 AM	Europe	German Factory Orders m/m	-	0.50%	-0.20%	Medium
All Day	UK	Parliamentary Elections	-	-	-	High
2:00 PM	UK	Construction PMI	-	54	54.7	Medium
Friday, July 05, 2024						
11:30 AM	Europe	German Industrial Production m/m	-	0.20%	-0.10%	Medium
6:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.40%	High
6:00 PM	US	Non-Farm Employment Change	-	189K	272K	High
6:00 PM	US	Unemployment Rate	-	4%	4%	High



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