

August 13, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	August	Buy	784-785	795	780	Intraday

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News and Developments

- Spot gold prices rose yesterday gaining more than 1.5%, while Silver prices gained 1.85% amid weakness in dollar and softening of US treasury yields. Further, prices rose on safe haven demand due to escalating geopolitical tension in Middle East and eastern Europe.
- Dollar ended on negative note yesterday losing 0.02% amid weakness in US treasury yields. Further, investors weighed the odds of a deep Fed interest rate cut next month ahead of a slew of US economic data. As per CME FedWatch tool markets are pricing in a 50% chance of a 50 basis point rate cut by the Fed in September meeting
- US Treasury yields slipped yesterday ahead of inflation data scheduled later in the week as it would be crucial for Fed policymakers to endorse if an easing at their September meeting is warranted. Yield on benchmark US 10-year treasury note slipped to 3.907% while 2-year treasury yield, which typically moves in step with interest rate expectations decline to 4.019%
- Crude oil prices settled higher yesterday gaining almost 3.5%, rising for 5th consecutive session amid weakness in dollar and on fears that widening of conflict in Middle East would tighten global crude oil supplies. Meanwhile, further upside was capped as OPEC cut its forecast for global oil demand growth in 2024 quoting softer expectations from China. In a monthly report OPEC said world oil demand will rise by 2.11 mbpd in 2024, down from growth of 2.25 million bpd expected last month
- Copper prices ended on positive note gaining more than 2% yesterday on weakness in dollar and improved global market sentiments. Moreover, closure of Zambia's border with the Democratic Republic of Congo (the world's second-largest copper producer) is blocking main mineral export route, raising supply fears

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	70738	1.21%	2472.90	1.71%
Silver	81624	1.34%	27.98	1.89%
Copper	790.3	1.76%	9026.50	1.80%
Aluminium	215.3	0.49%	2305.50	0.17%
Zinc	260.1	0.91%	2743.00	0.24%
Lead	187.2	0.16%	2047.50	0.47%
WTI Crude Oil	6662	3.38%	80.06	4.19%
US Nat Gas	183.7	1.77%	2.19	2.15%

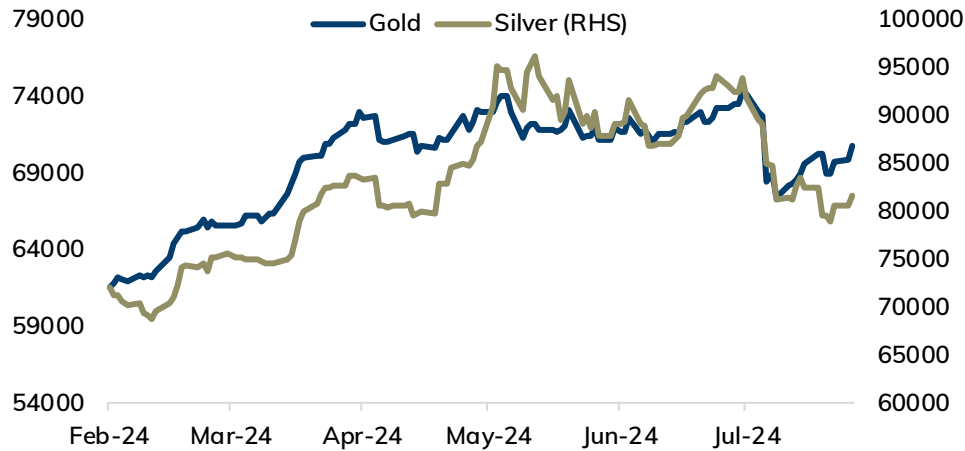
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th August)	84.00	0.01%	3550077	415551	890682	645803
EURINR (28th August)	91.79	0.07%	23146	-54	802	145
GBPINR (28th August)	107.11	0.06%	19958	183	788	-2879

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	August	Buy	179-180	190	175	Not Initiated

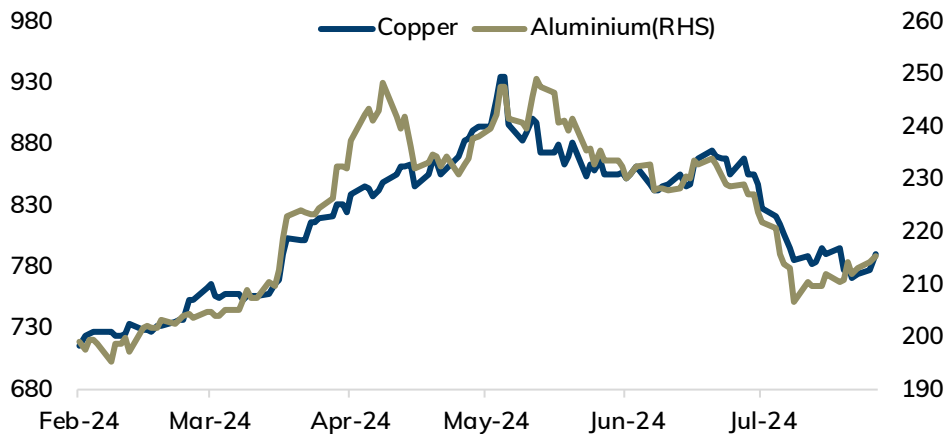
MCX Gold vs. Silver



Bullion Outlook

- Intl gold is expected to rise further towards \$2500 level amid weakness in dollar and softening of US treasury yields. Yields are moving south as traders await US inflation data this week that could shed more light on the Federal Reserve's interest rate cut path. As per CME FedWatch tool markets are pricing 100 basis points of Fed cuts by year end but upcoming PPI and CPI data could shift market perception. Moreover, prices may rally on safe heaven demand due to escalating tension in Middle East and Eastern Europe. Meanwhile, higher OI concentration at call strike 2500 would act as stiff resistance, while on put side, rise in OI at the 2450 strike, would provide immediate support to the prices. Intl gold is expected to rise further towards \$2500 level as long as it stays above \$2430 level (10-Day EMA)
- MCX Gold Oct is expected to rise further towards 71,400 level as long as it stays above 70,000 level
- MCX Silver September is expected to rise further towards 82,500 level as long as it stays above 80,000 level

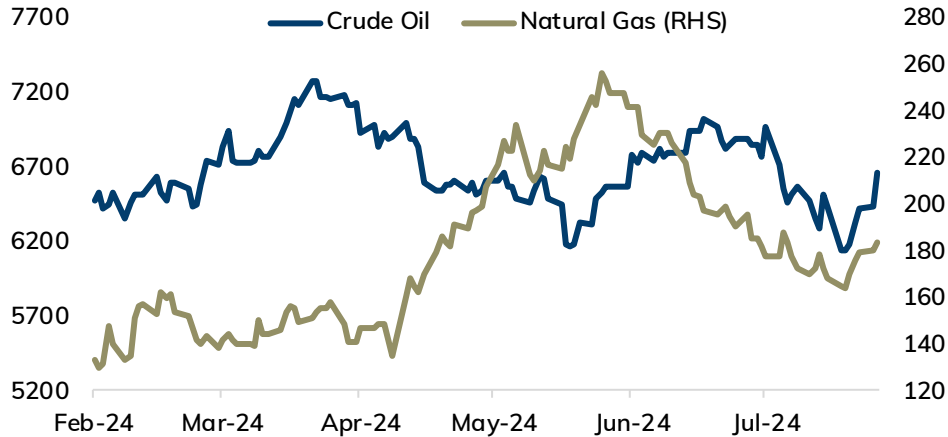
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with positive bias amid optimistic global market sentiments, weakness in dollar and on fears over supply disruption. Zambia closed its border with the DR Congo, delaying copper shipments while on the other hand BHP Group and union leaders at the Escondida operation in Chile are sitting down for one last session of mediated wage talks. Additionally, China's Yangshan premium, an indicator of import demand, stood at \$60 per ton yesterday, indicating recovery in demand.
- MCX Copper Aug is expected to rise back towards 801 level (20-Day EMA) as long as it stays above 780 level. A break above 801 level prices may rise further towards 805 level
- Aluminum is expected move south towards 213.5 level (10-Day EMA) as long as it stays below 217 level. A break below 213.5 level prices may slip further towards 210 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$81 level on weakness in dollar and optimistic global market sentiments. Further, prices may rally on fear over supply disruption due to escalating tension in Middle East and eastern Europe. Markets are also preparing from US PPI and CPI data that would give important read on inflation. Money markets bet on 25 or 50 bps cut in interest rate by US Fed in September meeting, a total easing of 100bps by the year end. Lower borrowing cost would raise economic activity and demand for oil. NYMEX Crude oil is likely to rise towards \$81 level as long as it trades above \$78
- MCX Crude oil Sep is likely to move north towards 6730 level as long as it stays above 6400 level (20-Day EMA)
- MCX Natural gas Aug is likely to slip towards 177 level (10-Day EMA) as long as it stays below 187 level. A break below 177 would open doors for 170 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	69345	70042	70410	71107	71475
Silver	79701	80662	81194	82155	82687
Copper	766.0	778.2	785.3	797.5	804.6
Aluminium	212.7	214.0	215.4	216.7	218.2
Zinc	254.7	257.4	259.8	262.5	265.0
Lead	186.0	186.6	187.5	188.1	189.0
Crude Oil	6382	6522	6601	6741	6820
Nat Gas	177	180	185	189	193

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	83.94	83.97	83.99	84.02	84.04
US\$INR (Sep)	83.98	84.02	84.06	84.10	84.14
EURINR (Aug)	91.60	91.70	91.76	91.86	91.92
EURINR (Sep)	90.75	91.27	91.54	92.06	92.33
GBPINR (Aug)	106.94	107.03	107.11	107.20	107.28
GBPINR (Sep)	107.09	107.16	107.20	107.28	107.31
JPYINR (Aug)	57.04	57.10	57.21	57.27	57.38
JPYINR (Sep)	56.75	57.10	57.75	58.10	58.75

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	103.14	103.14	0.00%
US\$INR	83.97	83.96	0.02%
EURUSD	1.0931	1.0917	0.13%
EURINR	91.75	91.68	0.08%
GBPUSD	1.2770	1.2761	0.07%
GBPINR	107.15	107.13	0.02%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.880	6.881	0.00
US	3.904	3.940	-0.01
Germany	2.226	2.225	0.00
UK	3.916	3.945	-0.01
Japan	0.853	0.853	0.00

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
8/7/2024	8:00 PM	-3.7M	-1.6M
7/31/2024	8:00 PM	-3.4M	-1.6M
7/24/2024	8:00 PM	-3.7M	-2.6M
7/17/2024	8:00 PM	-4.9M	-0.9M
7/10/2024	8:00 PM	-3.4M	0.7M
7/3/2024	8:00 PM	-12.2M	-0.4M
6/26/2024	8:00 PM	3.6M	-2.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	296125	-275	-0.09%
Aluminium	903600	-3850	-0.42%
Zinc	239525	-400	-0.17%
Lead	211550	-1300	-0.61%
Nickel	112404	0	0.00%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, August 12, 2024						
5:30 PM	India	Inflation Rate y/y	3.5%	5.4%	5.9%	High
11:30 PM	US	Federal Budget Balance	(-243.7)B	(-254.3)B	(-66.0)B	Medium
Tuesday, August 13, 2024						
11:30 AM	UK	Claimant Count Change		14.5K	32.3K	High
11:30 AM	UK	Average Earnings Index 3m/y		4.60%	5.70%	Medium
2:30 PM	Europe	German ZEW Economic Sentiment		30.60	41.80	Medium
6:00 PM	US	PPI m/m		0.20%	0.20%	Medium
Wednesday, August 14, 2024						
11:30 AM	UK	CPI y/y		2.30%	2.00%	High
2:30 PM	Europe	Flash GDP q/q		0.30%	0.30%	Medium
6:00 PM	US	CPI y/y		3.00%	3.00%	High
8:00 PM	US	Crude Oil Inventories			(-3.7)M	High
Thursday, August 15, 2024						
7:00 AM	China	Industrial Production y/y		5.30%	5.30%	Medium
7:00 AM	China	Retail Sales		2.60%	2.00%	Medium
11:30 AM	UK	GDP m/m		0.10%	0.40%	High
6:00 PM	US	Retail Sales m/m		0.40%	0.00%	High
6:00 PM	US	Unemployment Claims		235k	233k	High
6:00 PM	US	Empire State Manufacturing Index		-5.90	-6.60	Medium
6:45 PM	US	Industrial Production m/m		-0.20%	0.60%	Medium
8:00 PM	US	Natural Gas Storage		-	74B	Medium
Friday, August 16, 2024						
11:30 AM	UK	Retail Sales m/m		0.60%	-1.20%	High
6:00 PM	US	Building Permits		1.43M	1.45M	Medium
7:30 PM	US	Prelim UoM Consumer Sentiment		66.7	66.4	Medium
7:30 PM	US	Prelim UoM Inflation Expectations		-	2.9%	Medium



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