

May 31, 2024

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	June	Sell	6500-6510	6350	6600	Intraday

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News and Developments

- Spot gold prices edged higher yesterday gaining 0.25% amid weak dollar and decline in US treasury yields. Further, disappointing economic data from US raised hopes that US Federal Reserve will reduce interest rates this year
- Dollar index slipped by 0.35% yesterday on weak economic data from US and dovish comments from Fed officials. GDP data showed that economic activity, grew at slower pace than previously expected in the first quarter. Further, US jobless claims, rose to a seasonally adjusted 219,000 for the week ended May 25 and pending home sales index fell 7.7% in April
- US GDP grew at a 1.3% annualized rate in the first three months of the year, down from the advance estimate of 1.6% and significantly slower than the 3.4% pace in the final three months of 2023
- US Treasury yields slipped as unsatisfactory economic data from US, reinforced expectations that US Federal Reserve will start cutting interest rates this year. Yield on benchmark US 10-year treasury note slipped to 4.550% and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower to 4.929%.
- Crude oil prices settled lower yesterday losing more than 1.5% on weaker than expected economic data from US and weak fuel demand in the country. EIA weekly report showed US crude stocks fell more than expected last week but there was surprise jump in gasoline and distillate fuel stockpiles. US crude inventories decline by 4.2 million barrels while, gasoline stocks rose by 2 million barrels and distillate stocks increased by 2.5 million barrels
- Copper prices slipped yesterday amid risk aversion in the US markets and fragile economic data from US. Further, prices slipped on profit taking and sluggish physical demand in China

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71896	-0.41%	2343.07	0.21%
Silver	94123	-2.12%	31.17	-2.51%
Copper	877.2	-2.92%	10135.00	-3.07%
Aluminium	243.5	-2.64%	2703.50	-2.31%
Zinc	271.5	-1.54%	3071.50	-1.02%
Lead	191.6	-1.59%	2277.00	-1.83%
WTI Crude Oil	6488	-2.05%	77.91	-1.67%
US Nat Gas	217.0	-2.73%	2.57	3.17%

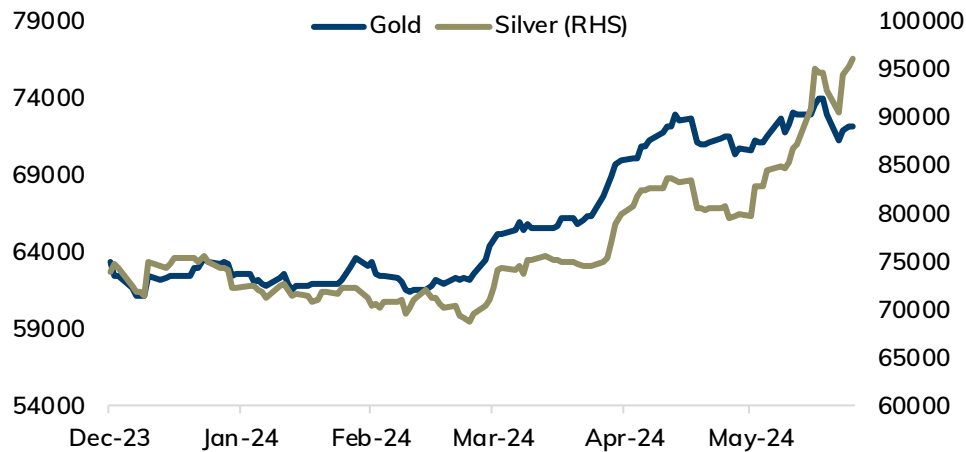
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.37	0.05%	2039304	311022	312611	-285977
EURINR (26th June)	90.23	-0.21%	14793	3990	4124	-4932
GBPINR (26th June)	105.94	-0.36%	15118	7327	4089	-1741

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	July	Sell	72200-72250	71600	72600	Profit Booked

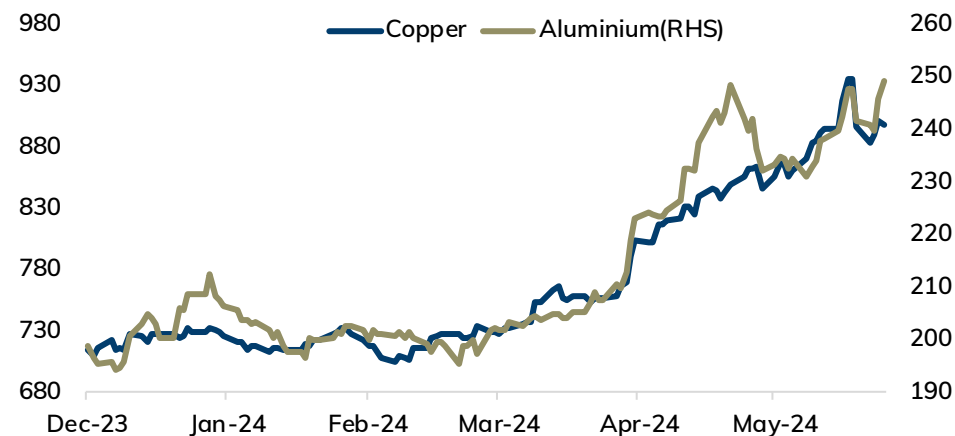
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to hold the support near \$2320 level and rise back towards \$2365 level amid weakness in dollar and decline in US treasury yields. Dollar and Yields are moving south as recent batch of economic data from US showed economy is losing momentum, signaling US Fed has scope to cut interest rates this year. Moreover, a measure of inflation during the first quarter was also revised down to 3.3% from 3.4%. Additionally, investors will remain cautious ahead of PCE index, the Fed's preferred inflation gauge to get fresh cues on how the central bank might proceed with interest rate cuts this year.
- MCX Gold Aug prices is likely to rise further towards 72,500 level as long as it stays above 71,600 level. A break above 72,500 level prices may rise further towards 73,000 level.
- MCX Silver July is expected to slip back towards 92,700 level (10-Day EMA) as long as it stays below 94,900 level

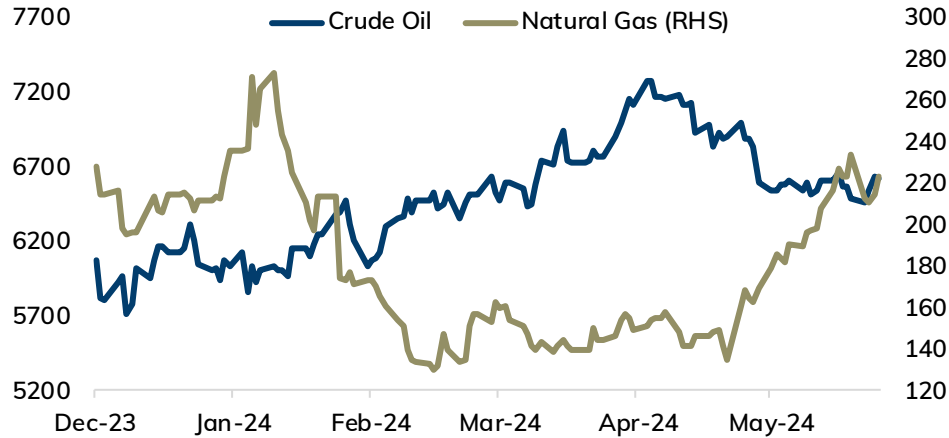
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with the negative bias amid risk aversion in the global markets and as world's largest economy grew more slowly than previously estimated in the first quarter. Further, prices may slip as premium in China to import copper into the country continued to remain below zero, signifying weak physical demand. Moreover, rise in copper stockpiles along with decline in cancel warrants at LME registered warehouses would weigh on copper prices. Further, contraction in the manufacturing activity in China would also weigh on the metal.
- MCX Copper is expected to slip towards 862 level as long as it stays below 886 level (20-Day EMA). On contrary, A break above 886 level prices may move further north towards 895 level (10-Day EMA)
- Aluminum is expected to move south towards 240 level (20-Day EMA) as long as it stays below 247 level.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to slip further towards \$76 level amid signs of slower economic growth in world's largest economy and surprise build in US gasoline and distillate stocks. Meanwhile, investors will remain cautious ahead of OPEC+ meeting where organization is likely to extend their voluntary output cuts past an end-June deadline. Additionally, markets are now looking into PCE index release, the Fed's preferred inflation gauge. The headline number is seen rising 0.3% in April, unchanged from the previous month. NYMEX Crude oil is likely to slip towards \$76 as long as it trades below \$78.50 level (10-Day EMA)
- MCX Crude oil June is likely to slip towards 6350 levels as long as it stays below 6600 level (20-Day EMA)
- MCX Natural gas June is expected to slip towards 211 level as long as it stays below 222 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71355	71625	71905	72175	72455
Silver	92313	93218	94557	95462	96801
Copper	856.9	867.1	881.5	891.6	906.0
Aluminium	237.3	240.4	245.2	248.3	253.1
Zinc	267.2	269.3	271.6	273.8	276.1
Lead	189.6	190.6	192.2	193.2	194.9
Crude Oil	6385	6436	6529	6580	6673
Nat Gas	209	213	219	222	228

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	83.21	83.29	83.40	83.48	83.59
US\$INR (July)	83.31	83.39	83.49	83.57	83.67
EURINR (June)	90.05	90.14	90.25	90.33	90.44
EURINR (July)	90.23	90.27	90.35	90.39	90.46
GBPINR (June)	105.65	105.79	106.00	106.14	106.34
GBPINR (July)	105.80	105.85	105.96	106.01	106.12
JPYINR (June)	53.16	53.31	53.39	53.54	53.62
JPYINR (July)	53.50	53.71	53.95	54.16	54.40

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.72	105.12	-0.39%
US\$INR	83.32	83.35	-0.04%
EURUSD	1.0832	1.0801	0.29%
EURINR	90.08	90.45	-0.40%
GBPUSD	1.2732	1.2701	0.24%
GBPINR	105.91	106.35	-0.42%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.997	7.013	0.00
US	4.546	4.612	-0.01
Germany	2.652	2.690	-0.01
UK	4.347	4.400	-0.01
Japan	1.064	1.085	-0.02

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
5/8/2024	8:00 PM	-1.4M	-1.0M
5/1/2024	8:00 PM	7.3M	-2.3M
4/25/2024	8:00 PM	-6.4M	1.6M
4/17/2024	8:00 PM	2.7M	1.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	118125	825	0.70%
Aluminium	1120050	0	0.00%
Zinc	251775	-1950	-0.77%
Lead	188275	-1975	-1.04%
Nickel	83634	0	0.00%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, May 27, 2024						
1:30 PM	Europe	German ifo Business Climate	89.30	90.40	89.40	Medium
All Day	US	Bank Holiday	-	-	-	
Tuesday, May 28, 2024						
6:30 PM	US	S&P/CS Composite-20 HPI y/y	7.40%	7.30%	7.30%	Medium
7:30 PM	US	CB Consumer Confidence	102.00	96.10	97.00	Medium
Wednesday, May 29, 2024						
11:30 AM	Europe	German Prelim CPI m/m	0.10%	0.20%	0.50%	High
7:30 PM	US	Richmond Manufacturing Index	0.00	-6.00	-7.00	Medium
11:30 PM	US	Beige Book		-	-	Medium
Thursday, May 30, 2024						
2:30 PM	Europe	Unemployment Rate	6.40%	6.50%	6.50%	Medium
6:00 PM	US	Prelim GDP q/q	1.30%	1.30%	1.60%	High
6:00 PM	US	Prelim GDP Price Index q/q	3.00%	3.10%	3.10%	Medium
6:00 PM	US	Goods Trade Balance	(-99.4)B	(-91.8)B	(-91.8)B	Medium
7:30 PM	US	Pending Home Sales m/m	-7.70%	-1.10%	3.60%	High
8:00 PM	US	Natural Gas Storage	84B	-	78B	Medium
8:30 PM	US	Crude Oil Inventories	(-4.2)M	(-2.0)M	1.8M	Medium
Friday, May 31, 2024						
7:00 AM	China	Manufacturing PMI	-	50.40	50.40	High
7:00 AM	China	Non-Manufacturing PMI	-	51.50	51.20	Medium
11:30 AM	Europe	German Retail Sales m/m	-	-0.2%	1.8%	Medium
2:30 PM	Europe	CPI Flash Estimate y/y	-	2.50%	2.40%	Medium
5:30 PM	India	GDP Growth Rate	-	6.7%	8.4%	High
6:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.30%	High
7:15 PM	US	Chicago PMI	-	40.8	37.9	Medium



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