

October 18, 2024

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Silver Micro	November	Buy	91450-91500	92300	91000	Intraday

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News and Developments

- Spot gold prices ended on positive note gaining 0.68%, while Silver prices decline by 0.01% yesterday. Gold prices hit record high amid rise in demand for safe haven due to uncertainty surrounding US Presidential election and escalating geopolitical tension in Middle East. Further, easing monetary policy environment across major economies supported prices
- US Dollar rallied yesterday to new fresh 11-week high as improved economic data from US, signaling resilience in economy reinforced expectations that US Federal Reserve would pursue modest rate cuts over the year. Moreover, weakness in euro supported dollar to move higher. Euro slipped after European Central Bank cut interest rates for the 3rd time this year and said inflation in the euro zone was increasingly under control while the outlook for the region's economy has been worsening
- US Treasury yields surged yesterday after upbeat economic data from US eased market expectations for hefty rate cut by US Fed in November. The benchmark US Treasury 10-year yield rose to 4.093%, while 2-year treasury yield, which typically moves in step with interest rate expectations increased to 3.978%
- US retail sales rose 0.4% last month, above the expectation of 0.3%. Weekly initial jobless claims dropped by 19,000 last week to 241,000 and below the 260,000 estimate. Philly Fed Manufacturing index rose to 10.3 in October from 1.7 in the prior month
- Crude oil prices settled higher yesterday gaining 0.07% amid fall in US Crude oil and fuel inventories. US Crude oil inventories decline by 2.2 million barrels in the week ended October 11th. Gasoline inventories decline by roughly 2.2M barrels and distillate stocks fell by 3.5M barrels
- Copper prices traded with negative bias losing 0.79% amid strong dollar and pessimism towards China.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	77107	0.58%	2692.71	0.71%
Silver	91744	-0.48%	31.70	0.02%
Copper	837.1	-0.86%	9516.00	-0.44%
Aluminium	238.0	-0.61%	2553.50	-1.18%
Zinc	280.9	-0.27%	3052.00	-0.02%
Lead	183.8	-0.27%	2069.50	-0.70%
WTI Crude Oil	5897	-0.44%	70.67	0.40%
US Nat Gas	197.6	-1.40%	2.35	-0.84%

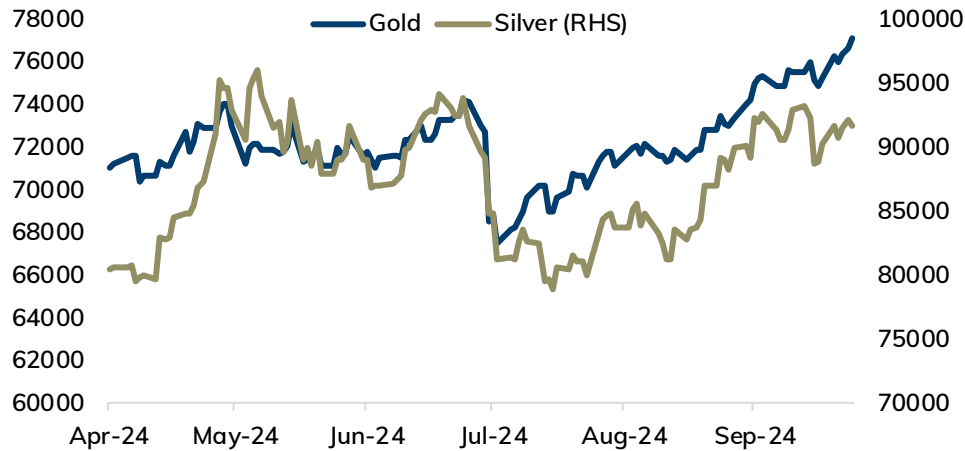
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th October)	84.09	0.04%	2891424	-150071	305281	47651
EURINR (29th October)	91.38	-0.26%	19317	-1883	3413	288
GBPINR (29th October)	109.33	-0.04%	21733	-247	4969	-1974

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	October	Buy	76050-76100	76600	75800	Not Initiated

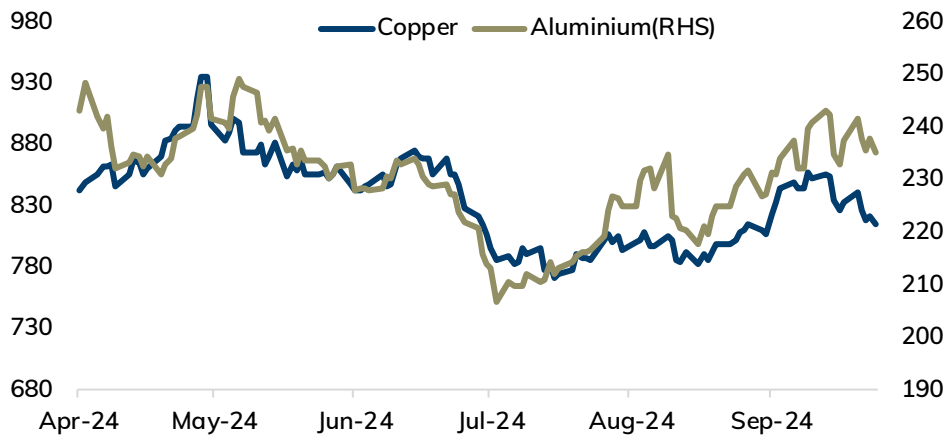
MCX Gold vs. Silver



Bullion Outlook

- Spot gold has surpassed the key psychological level of \$2700 level and is likely to rise further towards \$2720 level amid upsurge in demand for safe haven due to uncertainty surrounding US election, worries over rising US national debt and ongoing geopolitical tensions. Furthermore, prices may rally on expectations that major central banks across globe would continue to ease monetary policy further. ECB after 3rd rate cut is likely to go for another rate cut in December unless economic or inflation data turns around. Moreover, investors will keep an close eye on economic data from US and FOMC member comments to get more clarity on policy path
- MCX Gold December is expected to rise towards 77,500 level as long as it trades above 76,600 level. A break above 77,500 prices may rally towards 77,800 level
- MCX Silver December is expected to rise towards 93,500 level as long as it trades above 91,000 level.

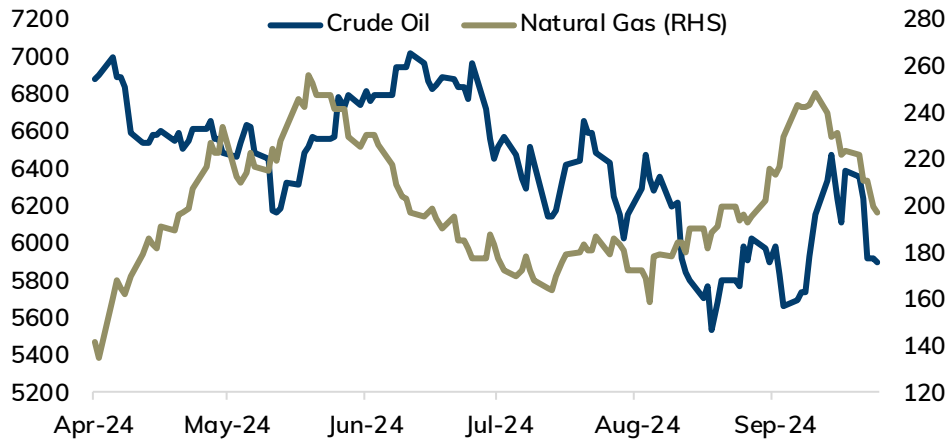
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with positive bias amid rise in risk appetite in the global markets and improved economic data from China. Further, prices may rally as Minister of Housing and Urban-Rural Development Ni Hong said China will expand a "white list" of housing projects eligible for financing and increase bank lending for such developments to 4 trillion yuan (\$562 billion) by year-end. Further better than expected industrial production numbers and steady growth in China's GDP would provide support to the base metals to regain its strength. Meanwhile, sharp upside may be capped on strong dollar
- MCX Copper October is expected to rise further towards 821 level as long as it stays above 809 level. A break above 821 prices would rise further towards 825 level
- MCX Aluminium is expected to move north towards 238 level as long as it stays above 234 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise back towards \$72 level on unexpected drop in Crude oil inventories and simmering Middle East tension. Further, EIA and API figures also showed fall in gasoline and distillate inventories, pointing demand. Additionally, prices may move north on expectation that major central banks would continue to cut interest rates further to boost economic growth. Lower rates decrease borrowing costs, which can boost economic growth and demand for oil. Furthermore, China's plan to aid sputtering real estate market would support prices.
- MCX Crude oil Nov is likely to rise towards 6050 level as long as it stays above 5800 level.
- MCX Natural gas October is expected to slip further towards 190 level as long as it stays below 205 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	76389	76748	76979	77338	77569
Silver	90115	90930	91845	92660	93575
Copper	825.9	831.5	838.6	844.2	851.2
Aluminium	235.3	236.6	238.0	239.4	240.8
Zinc	275.0	278.0	279.9	282.8	284.7
Lead	182.1	182.9	183.5	184.4	185.0
Crude Oil	5768	5833	5900	5965	6032
Nat Gas	193	195	199	202	206

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	83.99	84.04	84.07	84.12	84.15
US\$INR (Nov)	84.15	84.17	84.19	84.21	84.23
EURINR (Oct)	91.09	91.24	91.37	91.52	91.65
EURINR (Nov)	91.41	91.51	91.58	91.68	91.75
GBPINR (Oct)	108.59	108.96	109.17	109.53	109.74
GBPINR (Nov)	108.68	109.06	109.53	109.91	110.38
JPYINR (Oct)	55.96	56.16	56.33	56.53	56.70
JPYINR (Nov)	56.40	56.50	56.40	56.50	56.40

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	103.83	103.59	0.23%
US\$INR	84.07	84.00	0.08%
EURUSD	1.0831	1.0862	-0.29%
EURINR	91.30	91.52	-0.24%
GBPUSD	1.3011	1.2990	0.16%
GBPINR	109.23	109.34	-0.10%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.782	6.773	0.01
US	4.091	4.012	0.08
Germany	2.208	2.184	0.02
UK	4.089	4.064	0.03
Japan	0.969	0.958	0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
10/17/2024	8:30 PM	-2.2M	1.8M
10/9/2024	8:00 PM	5.8M	2.0M
10/2/2024	8:00 PM	3.9M	-1.5M
9/25/2024	8:00 PM	-4.5M	-1.3M
9/18/2024	8:00 PM	-1.6M	-0.2M
9/11/2024	8:00 PM	0.8M	0.9M
9/5/2024	8:30 PM	-6.9M	-0.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	287425	-1325	-0.46%
Aluminium	762850	-2500	-0.33%
Zinc	241800	1275	0.53%
Lead	194475	-300	-0.15%
Nickel	134322	1038	0.78%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, October 14, 2024						
Tentative	China	New Loans	1590B	1090B	900B	Medium
5:30 PM	India	Inflation Rate y/y	5.5%	3.6%	3.7%	High
Tuesday, October 15, 2024						
11:30 AM	UK	Claimant Count Change	27.9K	20.2K	23.7K	High
11:30 AM	UK	Average Earnings Index 3m/y	3.80%	3.80%	4.00%	Medium
2:30 PM	Europe	German ZEW Economic Sentiment	20.10	10.2	3.6	Medium
6:00 PM	US	Empire State Manufacturing Index	-11.90	3.40	11.50	Medium
Wednesday, October 16, 2024						
11:30 AM	UK	CPI y/y	1.70%	1.9%	2.2%	High
12:00 AM	Europe	ECB President Lagarde Speaks	-	-	-	Medium
Thursday, October 17, 2024						
2:30 PM	Europe	Final CPI y/y	1.70%	1.80%	1.80%	Medium
5:45 PM	Europe	Main Refinancing Rate	3.40%	3.40%	3.65%	High
6:00 PM	US	Retail Sales m/m	0.40%	0.30%	0.10%	High
6:00 PM	US	Unemployment Claims	241k	241k	258k	High
6:15 PM	Europe	ECB Press Conference	-	-	-	High
8:30 PM	US	Crude Oil Inventories	(-2.2)M	1.8M	5.8M	Medium
Friday, October 18, 2024						
7:30 AM	China	GDP q/y	4.60%	4.60%	4.70%	High
7:30 AM	China	Industrial Production y/y	5.40%	4.60%	4.50%	Medium
7:30 AM	China	Retail Sales y/y	3.20%	2.50%	2.10%	Medium
11:30 AM	UK	Retail Sales y/y		-0.3%	1.0%	Medium
6:00 PM	US	Building Permits		1.45M	1.48M	Medium



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