

June 20, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	June	Buy	850-851	862	845	Intraday

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News and Developments

- Spot gold prices traded in a tight range on Wednesday as traders remained absent due to holiday in US. Bond markets remained closed due to Juneteenth holiday. Meanwhile, recent set of economic numbers from US increased the odds of September rate cut which in turn supported the bullions to regain their strength.
- Silver prices found support from stronger than expected US May industrial production number. Further, soft dollar also supported the metal to edge higher.
- Dollar index edged lower after US NAHB housing market index dropped to the lowest level in this year. Higher mortgage rates and higher input cost has dragged the US builder confidence.
- NYMEX Crude oil prices extend its gain on Wednesday despite an unexpected rise in US API oil inventories. API weekly inventory data showed an increase of 2.26 million barrels last week. While, expectation of high demand during the driving season has pushed the oil prices to hold above the \$80 mark. Further, escalating tension in the middle East raised supply concerns and supported the oil prices to trade higher.
- Copper prices held to its yesterday's gains amid softness in the dollar and ore supply shortage. Prices found support amid forecast of 30% decline in production from Chile's Los Bronces copper mine in the coming year. Further, operational set-backs for the top metal producer Codelco pressured yields in its major mines. Meanwhile, rising inventory levels in LME checked the upside in the metal.
- Natural Gas prices regained strength and edged higher amid forecast of warmer than usual weather in US during the month of July.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71732	-0.01%	2328.16	-0.06%
Silver	89475	0.44%	29.79	0.86%
Copper	854.6	0.35%	9786.00	1.18%
Aluminium	231.0	0.37%	2499.00	0.50%
Zinc	260.9	0.64%	2869.00	1.09%
Lead	188.5	0.11%	2198.50	0.27%
WTI Crude Oil	6733	-0.78%	81.57	1.54%
US Nat Gas	241.9	-0.04%	2.91	4.34%

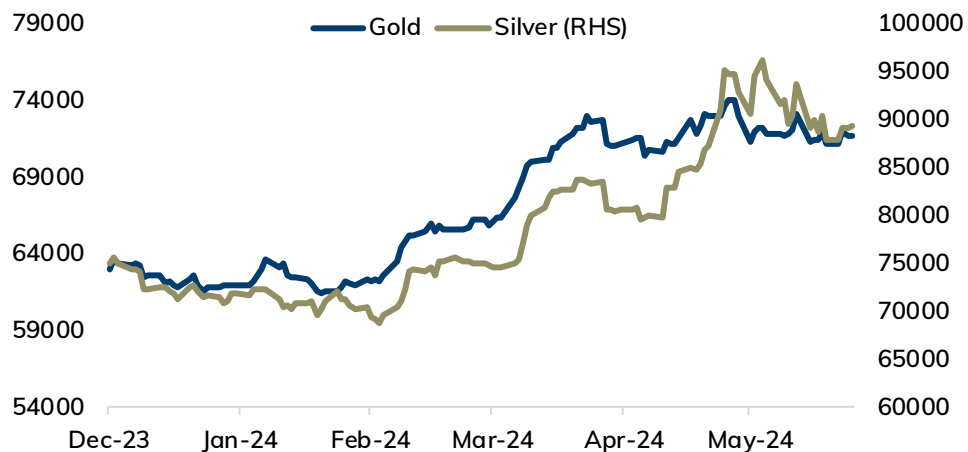
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.46	0.02%	2760332	-935528	1275945	815036
EURINR (26th June)	89.63	0.20%	11875	388	2260	-1512
GBPINR (26th June)	106.19	0.29%	16003	343	4082	-4920

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	June	Buy	237-238	250	231	Not initiated

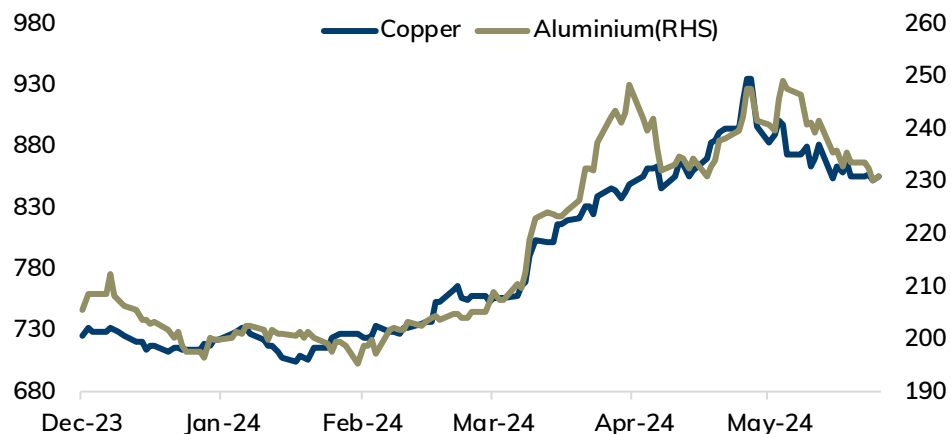
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to hold the support near \$2310 and move towards \$2345 level amid increasing probability of rate cut in September. Last week's softer inflation numbers and less than expected rise in retail sales numbers has overshadowed the hawkish comments of the fed members. Today, focus will remain on the BOE's monetary policy. Meanwhile, higher OI concentration near 2350 and 2360 call strike could act as immediate resistance for price.
- MCX Gold Aug price is likely to move in the band of 71,300 and 72,100 with a bullish bias. But price has to move beyond 72,100 to bring fresh buying interest, else we expect more of a consolidation phase.
- MCX Silver July is expected to move higher towards 90,300, as long as it holds above 87,800. A move above 90,300, would open the doors towards 91,200.

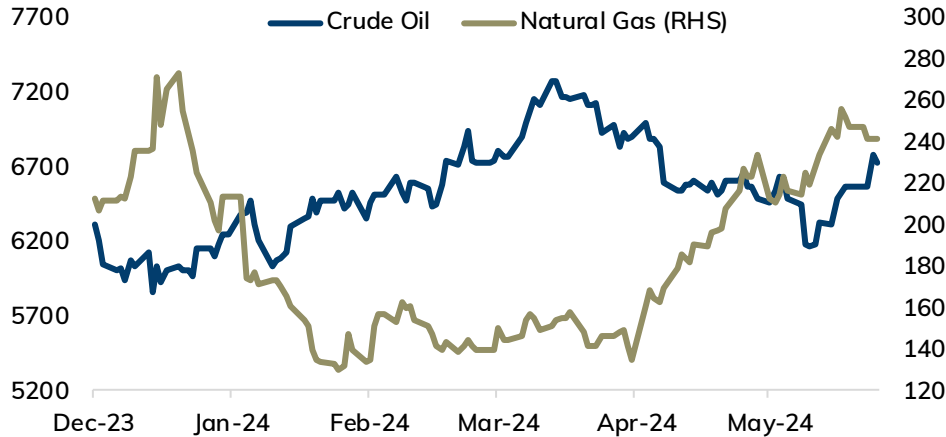
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to hold its ground amid supply issues and softness in the dollar. Further, increasing prospects of more stimulus from China to support the struggling property sector would support the metal to regain its strength. PBOC has left the rates lower for longer time period to support the economic recovery. Additionally, an increase in orders from the copper fabricators last week indicated a sign of demand recovery in the metal. Meanwhile, rising inventories in both LME and SHFE warehouses would limit its upside.
- MCX Copper is expected to hold the support near 845 and move back towards the initial hurdle at 860. Above, 860 prices may rally towards 870 mark
- Aluminum is expected to hold the support near 230 and move higher towards 235. Only close below 230 it would turn weaker towards 228.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold its ground and move towards the \$82 mark amid escalating tension in the Middle East. Further, softness in the dollar amid increasing probability of rate cut in September would support the oil prices to hold its gains. Meanwhile, expectation of rise in weekly crude oil inventories could limit the upside in oil prices. Additionally, weak demand from China would also limit its upside. Meanwhile, higher call base at 82 strike would act as a key resistance to oil prices.
- MCX Crude oil July is likely to move higher towards 6800 level as long as it stays above the 200 day EMA at 6580 level.
- MCX Natural gas June is expected to regain its strength and move higher towards 250 as long as it stays above the 20 day EMA at 232. Forecast of warmer than normal temperature in US would increase the demand prospects.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71467	71599	71743	71875	72019
Silver	88426	88950	89235	89759	90044
Copper	847.1	850.8	854.4	858.1	861.7
Aluminium	227.5	229.2	231.1	232.8	234.7
Zinc	258.3	259.6	260.8	262.1	263.3
Lead	186.4	187.4	189.2	190.2	192.0
Crude Oil	6669	6701	6737	6769	6805
Nat Gas	235	239	242	245	249

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	83.30	83.38	83.44	83.52	83.57
US\$INR (July)	83.39	83.48	83.52	83.61	83.65
EURINR (June)	89.38	89.51	89.60	89.72	89.82
EURINR (July)	89.57	89.69	89.80	89.93	90.04
GBPINR (June)	105.76	105.98	106.10	106.31	106.43
GBPINR (July)	105.84	106.04	106.15	106.35	106.45
JPYINR (June)	52.84	52.98	53.09	53.23	53.34
JPYINR (July)	53.28	53.35	53.42	53.49	53.56

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.25	105.26	0.00%
US\$INR	83.45	83.42	0.05%
EURUSD	1.0744	1.0740	0.04%
EURINR	89.61	89.42	0.21%
GBPUSD	1.2720	1.2709	0.09%
GBPINR	106.24	105.81	0.41%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.974	6.979	0.00
US	4.223	4.223	0.00
Germany	2.404	2.396	0.00
UK	4.067	4.048	0.00
Japan	0.931	0.942	-0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
5/8/2024	8:00 PM	-1.4M	-1.0M
5/1/2024	8:00 PM	7.3M	-2.3M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	158700	2850	1.83%
Aluminium	1066575	-2100	-0.20%
Zinc	247100	-2350	-0.94%
Lead	226950	10800	5.00%
Nickel	89562	120	0.13%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 17, 2024						
7:30 AM	China	Industrial Production y/y	5.6%	6.2%	6.7%	Medium
6:00 PM	US	Empire State Manufacturing Index	-0.6	-12.5	-15.6	High
Tuesday, June 18, 2024						
2:30 PM	Europe	Final CPI y/y	2.60%	2.60%	2.60%	Medium
2:30 PM	Europe	German ZEW Economic Sentiment	47.5	49.60	47.10	Medium
6:00 PM	US	Retail Sales m/m	0.1%	0.3%	-0.2%	High
6:45 PM	US	Industrial Production m/m	0.9%	0.3%	0.0%	Medium
Wednesday, June 19, 2024						
11:30 AM	UK	CPI y/y	2.0%	2.0%	2.3%	High
All Day	US	NAHB Housing Market Index	43	45	45	Medium
Thursday, June 20, 2024						
6:45 AM	China	5-y Loan Prime Rate	3.95%	3.95%	3.95%	Medium
4:30 PM	UK	Official Bank Rate		5.25%	5.25%	High
6:00 PM	US	Unemployment Claims		222k	229k	High
6:00 PM	US	Building Permits		1.37M	1.36M	Medium
8:30 PM	US	Crude Oil Inventories		-	3.7M	Medium
Friday, June 21, 2024						
11:30 AM	UK	Retail Sales m/m		1.6%	-2.3%	High
1:30 PM	Europe	Flash Manufacturing PMI		48	47.3	Medium
1:30 PM	Europe	Flash Services PMI		53.5	53.2	Medium
2:00 PM	UK	Flash Manufacturing PMI		51.3	51.1	High
2:00 PM	UK	Flash Services PMI		53.0	52.9	High
7:15 PM	US	Flash Manufacturing PMI		51.0	51.3	High
7:15 PM	US	Flash Services PMI		53.4	54.8	High
7:30 PM	US	Existing Home Sales		4.08M	4.14M	Medium
8:00 PM	US	Natural Gas Storage		-	74B	Medium



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