

May 30, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	July	Sell	72200-72250	71600	72600	Intraday

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## News and Developments

- Spot gold prices edged lower yesterday losing almost 1% while, silver prices corrected by 0.3% amid strong dollar and surge in US treasury yields ahead of inflation data from US. Further, hawkish comments from Fed officials added downside pressure on the prices. Most of the Policymakers are of view that central bank should wait for significant progress on inflation before losing monetary policy
- Dollar index rose by 0.48% yesterday and posted 2 week high amid surge in US treasury yields and hawkish comments from Fed officials. Further, stronger than expected Richmond Fed Manufacturing outlook survey supported dollar.
- The US May Richmond Fed manufacturing outlook survey rose to a 7-month high of 0, stronger than expectations of no change at -7
- US Treasury yields rose to four-week peaks on another soft debt auction and cautious comments from Fed officials on the timing of the rate cut. Yield on benchmark US 10-year treasury note rose to 4.616% and 2-year treasury yield, which typically moves in step with interest rate expectations edged higher to 4.976%.
- Crude oil prices settled lower yesterday losing more than 1% on expectation that US Federal Reserve would keep interest rates higher for longer to tackle lingering inflation, weighing on economic growth and oil demand. Meanwhile, sharp fall was cushioned on rising tension in Middle East and as US crude stockpiles fell much more than expected last week. As per API, crude oil inventories declined by about 6.5 million barrels compared to build up of 2.5 million barrels preceding week. Data also showed that gasoline stockpiles decreased by 452,000 barrels, while distillate inventories increased by 2.0M barrels
- Copper prices slipped yesterday amid strong dollar and risk aversion in the global markets. Further, prices slipped on weak physical demand in China and high inventories in the world's second-largest economy

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72193	0.02%	2338.12	-0.98%
Silver	96162	0.75%	31.98	-0.40%
Copper	903.6	-0.43%	10456.50	-0.43%
Aluminium	250.1	1.40%	2767.50	1.39%
Zinc	275.8	-0.33%	3103.00	0.10%
Lead	194.7	-0.41%	2319.50	-1.02%
WTI Crude Oil	6624	-0.20%	79.23	-0.75%
US Nat Gas	223.1	-5.14%	2.49	-3.75%

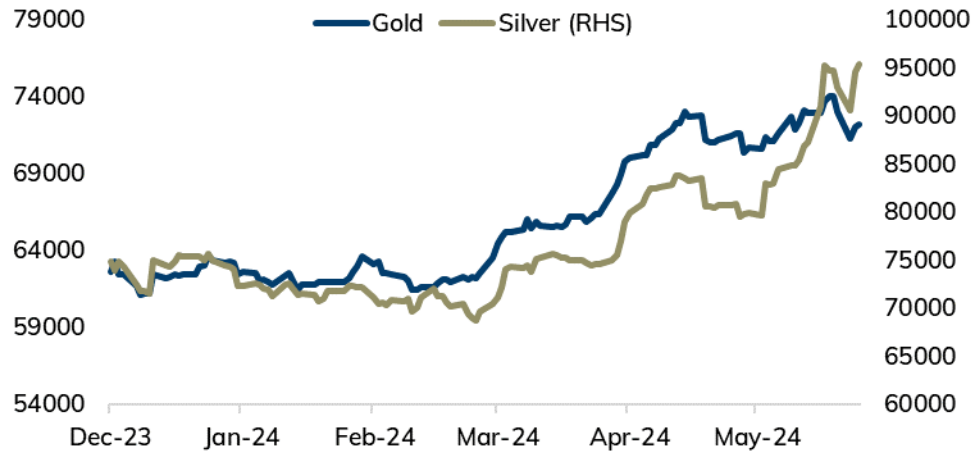
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.47	0.24%	1985562	469881	774502	114820
EURINR (26th June)	90.46	0.03%	15727	7795	10608	6268
GBPINR (26th June)	106.25	0.10%	16370	4723	5932	533

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	July	Sell	72400-72450	71800	72800	Profit booked

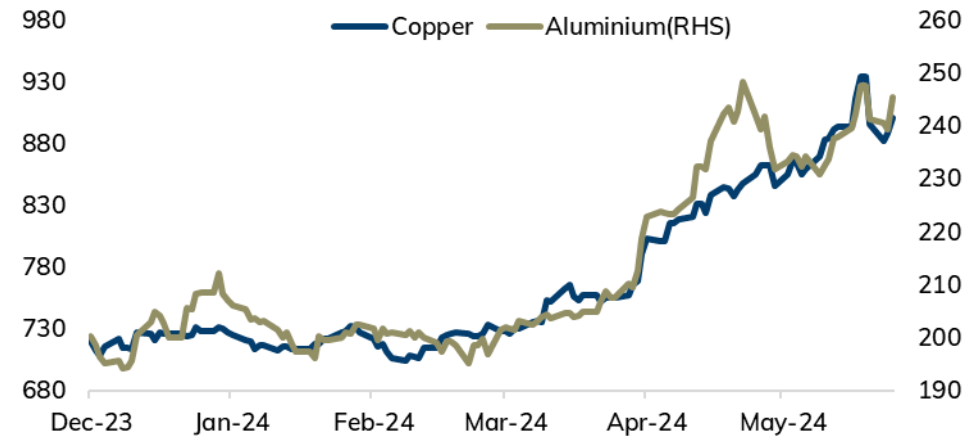
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to slip further towards \$2300 level amid strong dollar and surge in US treasury yields. Dollar and Yields are moving north as hawkish comments from Fed officials and improved economic data from US, cemented expectations that US Fed would delay its rate cut and also reduce the scale of rate cut. Meanwhile, demand for safe haven may increase on intensifying tension in Middle East. Additionally, market will keep an close eye on GDP and labor data from US to gauge economic health. Spot gold is likely to slip further towards psychological level of \$2300 as long as it stays below \$2350 level (20-Day EMA).
- MCX Gold Aug prices is likely to slip further towards 71,700 level as long as it stays below 72,550 level (10-Day EMA). A break below 71,700 level prices may slide further towards 71,400 level.
- MCX Silver July is expected to follow gold and slip back towards 94,000 level as long as it stays below 96,500 level

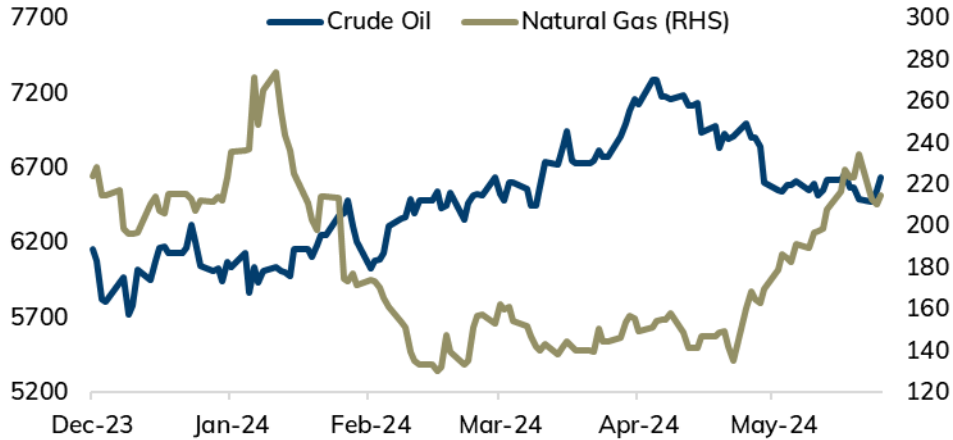
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade with the negative bias amid firm dollar ahead of inflation data from US and weak global market sentiments. Further, prices may slip as premium in China to import copper into the country continued to remain below zero, indicating weak physical demand. Meanwhile, sharp fall may be cushioned due to China's latest measures to support its ailing property sector and as IMF upgraded its forecast for China's economic growth this year to 5% from an earlier estimate of 4.6%
- MCX Copper is expected to slip towards 898 level (10-Day EMA) as long as it stays below 914 level. A break below 898 level prices may move further south towards 887 level (20-Day EMA)
- Aluminum is expected to move north towards 252 level as long as it stays above 247 level. On contrary, break below 247 level prices may slip towards 243 level (10-Day EMA)

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to hold the support near \$78.50 level and rise back towards \$80.50 level as US crude oil inventories fell much more than expected, reported by API. Additionally, prices may trade positive on expectations that OPEC+ would keep voluntary output cut in place at its upcoming meeting. Moreover, heightened tensions in Middle East after Israel sent tanks on raids into Rafah and predicted its war with Hamas would continue all year, would provide support to oil prices. Further, investors will keep an eye on EIA weekly inventory data, to get signs on strong demand
- MCX Crude oil June is likely to rise towards 6720 levels as long as it hold the support near 6550 level. 6720 is 38.2% Fibonacci retracement of April-May 2024 move (7322-6345). Should the bulls attempt to push prices higher, a break above 6720 it could pave the way for 50% Fibo of 6830 level
- MCX Natural gas June is expected to slip towards 215 level as long as it stays below 228 level

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71680	71937	72187	72444	72694
Silver	94035	95098	95796	96859	97557
Copper	888.8	896.2	905.3	912.6	921.7
Aluminium	245.0	247.6	249.2	251.8	253.4
Zinc	271.9	273.8	276.7	278.6	281.5
Lead	192.4	193.5	195.2	196.3	198.0
Crude Oil	6532	6578	6653	6699	6774
Nat Gas	212	218	227	233	243

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.14	83.30	83.39	83.55	83.64
US\$INR (Jun)	83.14	83.30	83.39	83.55	83.64
EURINR (May)	90.17	90.32	90.40	90.54	90.62
EURINR (Jun)	90.17	90.32	90.40	90.54	90.62
GBPINR (May)	105.76	106.01	106.15	106.40	106.54
GBPINR (Jun)	105.76	106.01	106.15	106.40	106.54
JPYINR (May)	52.40	52.72	52.87	53.19	53.33
JPYINR (Jun)	53.03	53.16	53.38	53.51	53.73

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.12	104.61	0.49%
US\$INR	83.35	83.18	0.20%
EURUSD	1.0801	1.0857	-0.52%
EURINR	90.45	90.47	-0.02%
GBPUSD	1.2701	1.2762	-0.48%
GBPINR	106.35	106.26	0.09%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.013	6.996	0.00
US	4.612	4.550	0.01
Germany	2.690	2.592	0.04
UK	4.400	4.281	0.03
Japan	1.085	1.030	0.05

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
4/10/2024	8:00 PM	5.8M	0.9M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	117300	2550	2.22%
Aluminium	1120050	-1450	-0.13%
Zinc	253725	-3475	-1.35%
Lead	190250	-4975	-2.55%
Nickel	83634	-96	-0.11%

# 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	-	6.50%	6.50%	Medium
6:00 PM	US	Prelim GDP q/q	-	1.30%	1.60%	High
6:00 PM	US	Prelim GDP Price Index q/q	-	3.10%	3.10%	Medium
6:00 PM	US	Goods Trade Balance	-	(-91.8)B	(-91.8)B	Medium
7:30 PM	US	Pending Home Sales m/m	-	0.10%	3.40%	High
8:00 PM	US	Natural Gas Storage	-	-	78B	Medium
8:30 PM	US	Crude Oil Inventories	-	(-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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