

April 24, 2024

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	May	Buy	170-171	179	166	Intraday

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News and Developments

- Spot Gold prices settled lower and hit the lowest level in last 2-weeks amid reduced safe haven demand as geopolitical tension eased in the Middle east. However, prices recovered its losses towards later part of the day after weaker than US manufacturing and service PMI data weighed on the dollar and treasury yields and supported the rebound in bullions.
- Dollar index slide below the 106 mark after the US manufacturing PMI indicated contraction for the first time since December 2023. Service PMI numbers also dipped to 50.9 against forecast of 52.0. Meanwhile, rise in US new home sales numbers supported the dollar to trim its losses.
- US treasury yields also dipped to 4.59% and the 2 year US treasury yields declined the most to 4.925%.
- NYMEX crude oil prices rebounded towards the \$83 mark amid weakness in the dollar. Weaker than expected US manufacturing and service PMI numbers fueled the hopes that it might prompt interest rate cuts. Moreover, threat of further sanction on Iranian oil exports also supported the oil to rebound from its day's lows.
- Copper prices traded lower after the sluggish growth in the manufacturing activity in Europe, UK and US raised demand concerns. Further, profit booking in the base metals after a strong rally this month also weighed on the metals to edge lower.
- Natural gas futures managed to settle higher amid forecasts of improving demand from the electricity providers as weather forecast indicated warmer US temperature.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71029	-0.24%	2322.02	-0.23%
Silver	80678	0.12%	27.31	0.41%
Copper	837.6	-0.79%	9706.50	-1.25%
Aluminium	241.1	-1.03%	2579.00	-3.43%
Zinc	247.7	-0.72%	2792.50	-1.39%
Lead	191.4	1.43%	2184.50	0.67%
WTI Crude Oil	6928	1.38%	83.36	0.62%
US Nat Gas	149.1	0.40%	1.81	1.17%

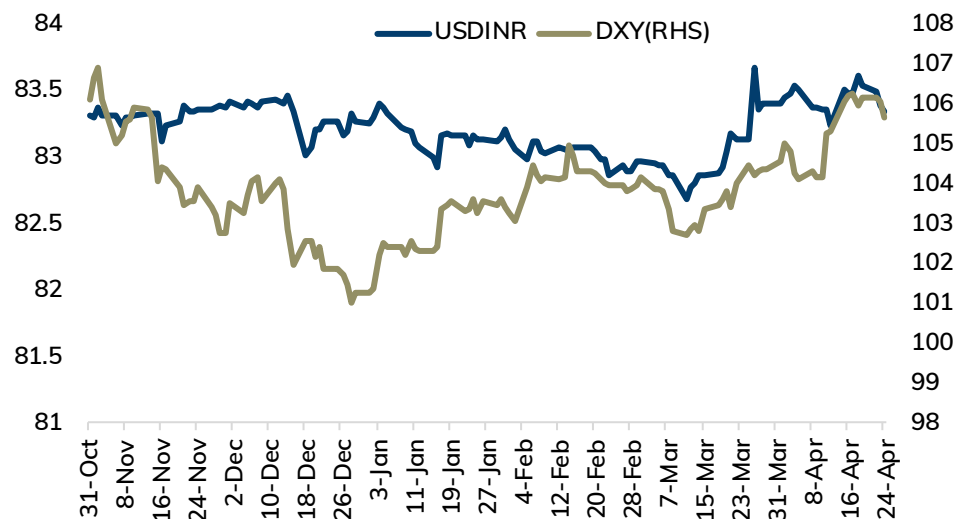
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.35	-0.04%	2658283	-314576	903031	613243
EURINR (26th Apr)	88.90	0.00%	29981	-1841	10128	5802
GBPINR (26th Apr)	103.16	0.31%	37663	-6349	11937	-6398

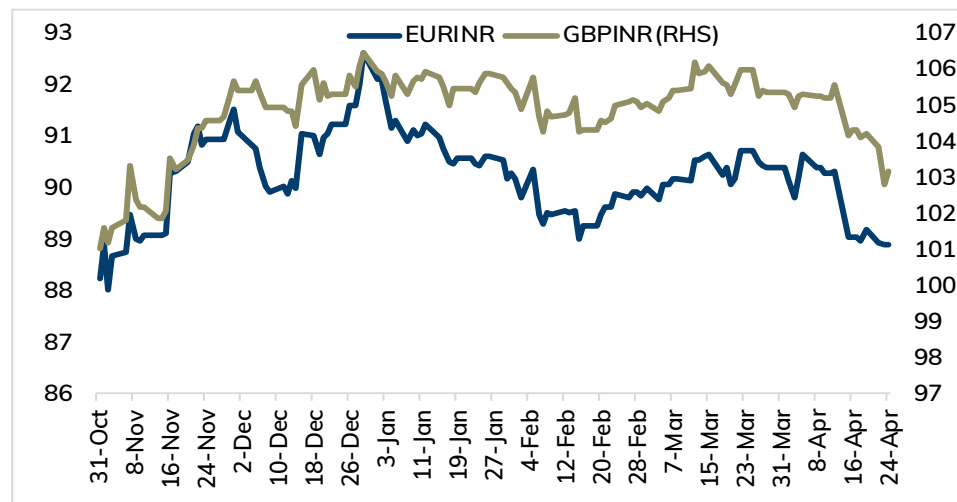
Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	May	Sell	71840-71850	71000	72300	Not Initiated

Dollar Index vs. US\$INR



EURINR vs. GBPINR



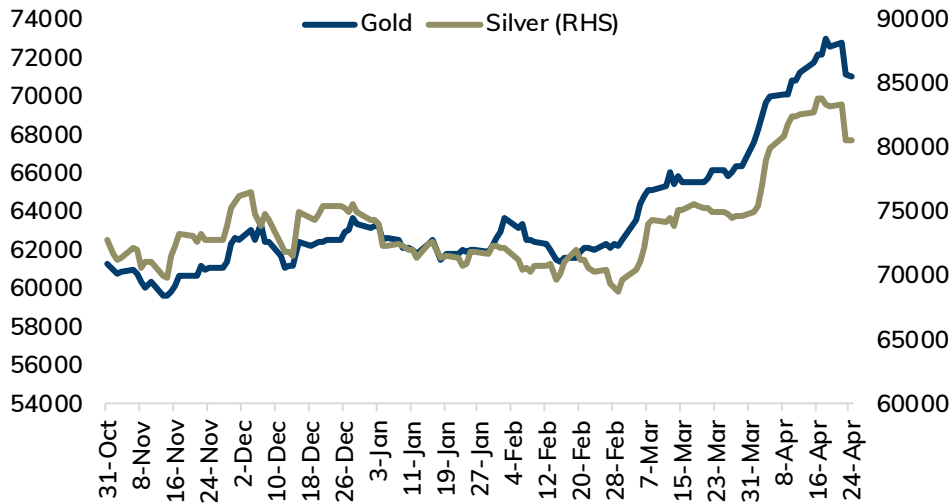
Rupee Outlook

- Rupee appreciated marginally yesterday amid soft dollar and retreat in US treasury yields. Meanwhile, sharp gains were prevented due to dollar demand from importers.
- Rupee is likely to appreciate further today amid weakness in dollar, softness in US treasury yields and rise in risk appetite in the global markets. Dollar and yields moved south as US business activity cooled in April to a 4-month low due to weaker demand. Manufacturing PMI data showed activity in sector contracted in April and Services PMI signaled slowdown in sector. Additionally, pace of inflation eased from 6-month high seen in March despite of rise in input cost. Meanwhile, surge in crude oil prices may prevent sharp gains in rupee. USDINR April likely to slip towards 83.19 level (89-Day EMA) as long as it stays below 83.42 level (10-Day EMA).

Euro and Pound Outlook

- Euro rallied by 0.44% yesterday amid weakness in dollar and rise in risk appetite in the global markets. Further, euro gained strength on improved economic data from euro zone. Composite PMI climbed more than expected to an 11-month high. For today, EURUSD is likely to hold the support near 1.0690 level (10-Day EMA) and rise towards 1.0730 levels (20-Day EMA) amid weakness in dollar, optimistic global market sentiments and expectation of improved economic data from Germany. If pair breaks above 1.0730 level then it may rally further towards 1.0780 level (50-Day EMA). EURINR April is likely to rise towards 89.50 levels (200-Day EMA) as long as it trades above 88.90 levels.
- Pound is expected to find the floor near 1.2430 level and rise towards 1.2510 level (20-Day EMA) amid weakness in dollar and as British businesses recorded their fastest growth in activity in nearly a year. GBPINR April is likely to rise further towards 104.00 level as long as it stays above 103.30 levels

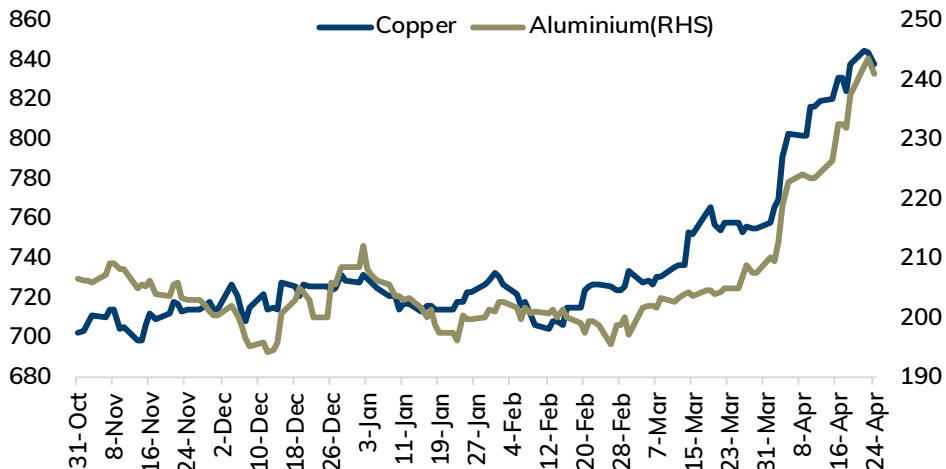
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to trade in the band of \$2300 and \$2335 with a negative bias amid reduced safe haven demand. Easing geopolitical tension in the Middle East and increasing risk appetite could weigh on the bullions. But weakness in the US dollar and treasury yields could provide some support to the bullions to trim its earlier losses. For the day we expect prices to remain in a very tight range as most traders will eye for key US GDP number and PCE price index data to get more clarity on the Fed's interest rate path.
- MCX Gold June is expected to face the hurdle near 71500 and move lower towards 70400. Only close below 70400, it would turn weaker and slide further towards 69500.
- MCX Silver May is expected to face the resistance at 81500 and move lower towards 79400. Only a move below 79400, it would weaken further towards 78200.

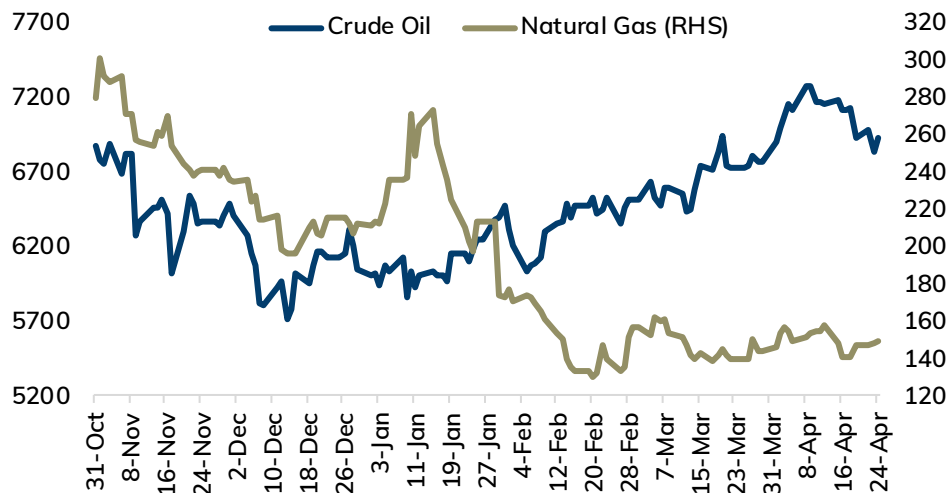
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with negative bias amid profit booking. Further, expectation of increase in output amid improving relations between Zambia's new government and mine investors has raised the hopes the copper output will rise by 1 million metric tons in next two year. Meanwhile, depleting stocks in LME and SHFE would restrict any major downside in the base metals
- For the day, MCX Copper May is expected to face the hurdle near 848 and move towards the 10 day EMA support at 838. Only close below 838 it would weaken further towards 830.
- Aluminum is expected to trim its earlier gains and weaken further towards 233, as long as price trades under 241.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold the support near \$81 and move back towards the \$85 mark amid supply concerns and improved risk appetite in the global markets. Increasing bets of further sanction on Iran would support the oil prices to stay above the \$81 mark. Further, unexpected fall in US crude oil stocks in the latest API inventory data raised the hopes that demand is on the rise ahead of summer driving season.
- MCX Crude oil May future is likely to hold the support near 6800 and move back towards 7050. Only a sustained move above 7050 it would rise towards 7150 mark.
- Natural gas is expected to hold its gains and move higher amid increasing export from US and lower production from major producers. MCX May futures is expected to rise towards 180, as long as it holds above 166.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	69806	70417	70814	71425	71822
Silver	78863	79771	80268	81176	81673
Copper	827.3	832.5	836.2	841.3	845.0
Aluminium	235.1	238.1	240.4	243.4	245.7
Zinc	242.3	245.0	247.2	249.9	252.2
Lead	185.4	188.4	190.1	193.1	194.9
Crude Oil	6691	6810	6874	6993	7057
Nat Gas	144	146	149	151	153

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	83.23	83.29	83.35	83.40	83.46
US\$INR (May)	83.32	83.38	83.43	83.49	83.54
EURINR (Apr)	88.58	88.74	88.87	89.03	89.16
EURINR (May)	89.06	89.14	89.30	89.38	89.53
GBPINR (Apr)	102.75	102.96	103.11	103.32	103.47
GBPINR (May)	103.52	103.75	103.87	104.10	104.22
JPYINR (Apr)	53.67	53.76	53.86	53.95	54.04
JPYINR (May)	54.26	54.35	54.50	54.59	54.74

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.68	106.08	-0.38%
US\$INR	83.34	83.37	-0.03%
EURUSD	1.0701	1.0655	0.43%
EURINR	88.84	88.80	0.04%
GBPUSD	1.2449	1.2350	0.80%
GBPINR	103.01	102.92	0.09%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.164	7.190	-0.026
US	4.600	4.609	-0.0081
Germany	2.502	2.486	0.016
UK	4.241	4.205	0.036
Japan	0.889	0.890	-0.001

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
17-04-2024	8:00 PM	2.7M	1.6M
10-04-2024	8:00 PM	5.8M	0.9M
03-04-2024	8:00 PM	3.2M	-0.3M
27-03-2024	8:00 PM	3.2M	-0.7M
20-03-2024	8:00 PM	-2.0M.	-0.9M
13-03-2024	8:00 PM	-1.5M	0.9M
06-03-2024	9:00 PM	1.4M	2.4M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	120600	-600	-0.50%
Aluminium	497300	-2700	-0.54%
Zinc	255850	-325	-0.13%
Lead	268750	-2775	-1.02%
Nickel	76878	1950	2.60%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 22, 2024						
6:45 AM	China	1-y Loan Prime Rate	3.45%	3.45%	3.45%	Medium
6:45 AM	China	5-y Loan Prime Rate	3.95%	3.95%	3.95%	Medium
7:30 PM	Europe	Consumer Confidence	-15	-14	-15	Medium
Tuesday, April 23, 2024						
12:45 PM	Europe	French Flash Manufacturing PMI	44.9	46.9	46.2	High
1:00 PM	Europe	German Flash Manufacturing PMI	42.2	42.8	41.9	High
1:30 PM	Europe	Flash Manufacturing PMI	45.6	46.5	46.1	Medium
2:00 PM	UK	Flash Manufacturing PMI	48.7	50.3	50.3	High
7:15 PM	US	Flash Manufacturing PMI	49.9	52	51.9	High
7:15 PM	US	Flash Services PMI	50.9	52	51.7	High
7:30 PM	US	New Home Sales	693K	668K	662K	Medium
7:30 PM	US	Richmond Manufacturing Index	-7	-7	-11	Medium
Wednesday, April 24, 2024						
1:30 PM	Europe	German ifo Business Climate	-	88.9	87.8	Medium
6:00 PM	US	Core Durable Goods Orders m/m	-	0.30%	0.30%	Medium
6:00 PM	US	Durable Goods Orders m/m	-	2.50%	1.30%	Medium
8:00 PM	US	Crude Oil Inventories	-	1.7M	2.7M	Medium
Thursday, April 25, 2024						
6:00 PM	US	Advance GDP q/q	-	2.50%	3.40%	High
6:00 PM	US	Unemployment Claims	-	215K	212K	High
7:30 PM	US	Pending Home Sales m/m	-	0.90%	1.60%	High
8:00 PM	US	Natural Gas Storage	-	-	50B	Medium
Friday, April 26, 2024						
Tentative	Japan	BOJ Policy Rate	-	<0.1%	<0.1%	High
6:00 PM	US	Core PCE Price Index m/m	-	0.30%	0.30%	High
7:30 PM	US	Revised UoM Consumer Sentiment	-	77.8	77.9	High



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