

June 14, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	June	Sell	249-250	241	254	Intraday

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News and Developments

- Spot gold prices edged lower yesterday losing 1.0%, while Silver plunged by 2.4% amid strong dollar following hawkish Fed. FOMC projected only 1 rate cut of 25bps this year compared to 3 rate cut back in March.
- Dollar gained yesterday despite of cooler than expected US producer price data and rise in Unemployment claims. Dollar moved north as US Federal Reserve adopted a hawkish tone at the conclusion of its meeting on Wednesday
- US producer prices unexpectedly fell in May, with the headline producer price index (PPI) dropping 0.2% last month after advancing by an unrevised 0.5% in April.
- Number of Americans filing new claims for unemployment benefits increased to a 10-month high last week. Weekly initial jobless claims climbed 13,000 to a seasonally adjusted 242,000
- US Treasury yields were lower on Thursday as cooling of the labor market and ebbing price pressures kept an anticipated September interest rate cut from the Fed on the table. Yield on benchmark US 10-year treasury note slipped to 4.246% and 2-year treasury yield, which typically moves in step with interest rate expectations decline to 4.701%.
- Crude oil prices settled lower yesterday amid strong dollar and unexpected rise in crude oil inventories. Meanwhile, sharp downside was cushioned as US data showed easing labor market and slowing inflation, boosting hopes that Federal Reserve would cut rate despite recent comments from Fed officials .
- Copper prices slipped yesterday amid strong dollar as US Federal Reserve pushed out the projected start of policy easing to as late as December.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71138	-1.16%	2304.21	-0.89%
Silver	87983	-2.72%	28.97	-2.55%
Copper	855.7	-1.33%	9794.50	-1.51%
Aluminium	233.7	-0.76%	2557.00	-0.72%
Zinc	259.9	-0.12%	2860.00	-1.17%
Lead	187.6	-0.13%	2166.00	-0.32%
WTI Crude Oil	6568	-0.14%	78.62	0.15%
US Nat Gas	247.9	-1.94%	2.96	-2.82%

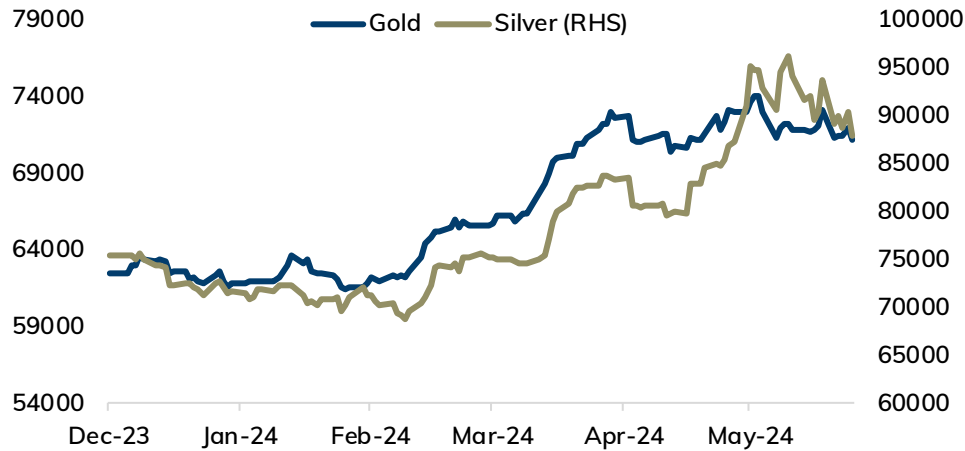
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.57	-0.05%	3678899	5267	180231	-577713
EURINR (26th June)	90.22	0.31%	12235	656	3956	-3287
GBPINR (26th June)	106.70	0.14%	26823	2140	3300	478

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	July	Sell	71800-71850	71200	72200	Not Initiated

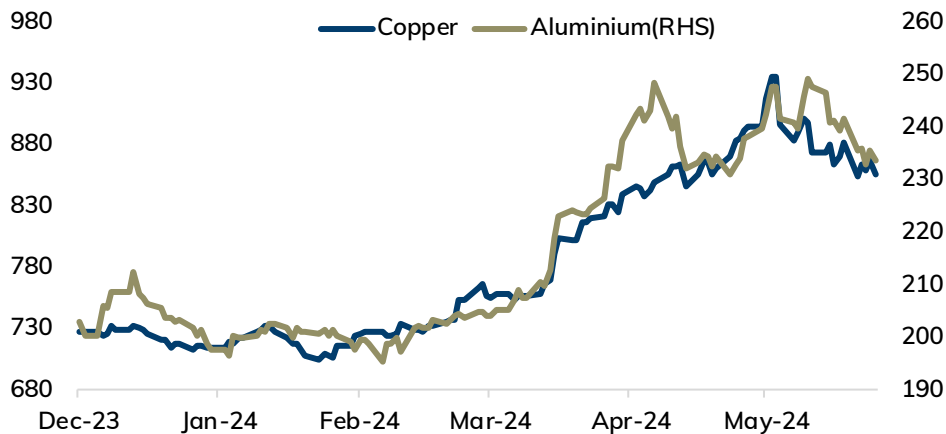
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to rise back towards \$2325 level amid softening of US treasury yields. Yields are moving south as recent data from US showed crack in labor market and ease in price pressure, boosting hopes for first rate cut in September. Additionally, market anticipates that softer than expected CPI and PPI data would make it likely that Personal Consumption Expenditures, the Fed preferred inflation measure, will also show softening of price pressures. Meanwhile, investors will keep an eye on US Consumer sentiment and inflation expectation data. Spot gold prices may rise toward \$2325 level as long as it stays above \$2285 level
- MCX Gold Aug price is likely to rise back towards 71,500 level as long as it stays above 71,000 level (50-Day EMA). On contrary, a break below 71,000 level prices may slide further towards 70,600 level.
- MCX Silver July is expected to slip further towards 86,500 level (50-Day EMA) as long as it stays below 89,000 level. A break below 86,500 level prices may slip further towards 85,700 level

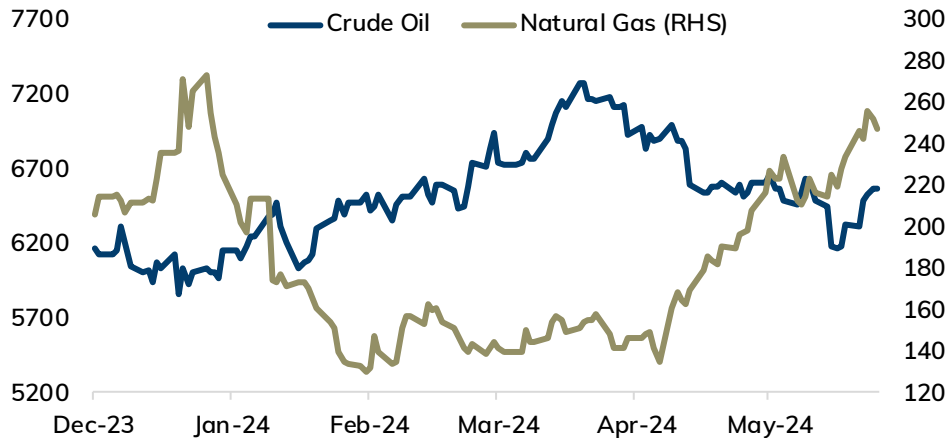
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with the negative bias amid firm dollar and weak global market sentiments. Further, prices may dip as Copper premiums in top consumer China remained low, while inventories in both LME and SHFE warehouses still rising. Inventories at LME have gone up by 28% over the last month. Additionally, market fears that higher borrowing cost for longer duration will hurt economic growth and dent demand for industrial metals
- MCX Copper is expected to slip further towards 842 level as long as it stays below 868 level (10-Day EMA). A break below 842 prices may skid further towards 836 level
- Aluminum is expected move further south towards 230 level as long as it stays below 236 level. A break below 230 level prices may dip further towards 226 level (89-Day EMA)

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to slip back towards \$77.0 level amid strong dollar, risk off sentiment in global markets and unexpected rise in US crude oil inventories and fuel stock. Further, continuing talks over a potential ceasefire in Gaza, could ease fears of oil supply disruptions in the region. Additionally, US Federal Reserve adopted a hawkish tone at the conclusion of its meeting on Wednesday. Meanwhile, Russia pledged to meet its output obligations under the OPEC+ pact, after saying it exceeded its quota in May. Stricter adherence to the current quotas would be supportive for the prices. NYMEX Crude oil is likely to slip back towards \$77.0 level as long as it trades below \$79.0 level
- MCX Crude oil July is likely to move south towards 6400 level as long as it stays below 6600 level
- MCX Natural gas June is expected to slip further towards 239 level (10-Day EMA) as long as it stays below 254 level as weekly EIA natural gas supplies rose more than expected

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70514	70826	71288	71600	72062
Silver	86263	87123	88223	89083	90183
Copper	842.9	849.3	858.1	864.5	873.3
Aluminium	229.9	231.8	234.4	236.3	238.8
Zinc	255.2	257.5	259.7	262.0	264.2
Lead	186.1	186.8	187.7	188.4	189.3
Crude Oil	6451	6510	6549	6608	6647
Nat Gas	234	241	250	257	265

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	83.52	83.54	83.57	83.59	83.62
US\$INR (July)	83.57	83.62	83.65	83.70	83.73
EURINR (June)	90.07	90.15	90.22	90.29	90.37
EURINR (July)	90.07	90.19	90.29	90.41	90.51
GBPINR (June)	106.49	106.60	106.73	106.84	106.97
GBPINR (July)	106.52	106.70	106.77	106.95	107.02
JPYINR (June)	53.25	53.35	53.40	53.50	53.55
JPYINR (July)	53.43	53.52	53.66	53.74	53.88

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.20	104.65	0.53%
US\$INR	83.55	83.55	0.00%
EURUSD	1.0737	1.0809	-0.67%
EURINR	90.25	89.84	0.46%
GBPUSD	1.2762	1.2798	-0.28%
GBPINR	106.80	106.57	0.22%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.987	7.012	0.00
US	4.244	4.316	-0.02
Germany	2.470	2.530	-0.02
UK	4.123	4.128	0.00
Japan	0.975	0.986	-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	132075	4650	3.65%
Aluminium	1085550	-7000	-0.64%
Zinc	255900	-2000	-0.78%
Lead	193200	2950	1.55%
Nickel	86664	936	1.09%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 10, 2024						
2:00 PM	Europe	Sentix Investor Confidence	0.30	-1.50	-3.60	Medium
Tuesday, June 11, 2024						
11:30 AM	UK	Claimant Count Change	50.4K	10.2k	8.9k	High
11:30 AM	UK	Average Earnings Index 3m/y	5.90%	5.70%	5.90%	Medium
Wednesday, June 12, 2024						
7:00 AM	China	CPI y/y	0.3%	0.4%	0.3%	Medium
7:00 AM	China	PPI y/y	-1.4%	-1.5%	-2.5%	Medium
11:30 AM	UK	GDP m/m	0.0%	0.0%	0.4%	High
5:30 PM	India	CPI y/y	4.75%	4.8%	4.8%	High
6:00 PM	US	CPI y/y	3.30%	3.4%	3.4%	High
8:00 PM	US	Crude Oil Inventories	3.7M	(-1.2)M	1.2 M	Medium
11:30 PM	US	Federal Funds Rate	5.5%	5.5%	5.5%	High
11:30 PM	US	FOMC Economic Projections				High
Thursday, June 13, 2024						
2:30 PM	Europe	Industrial Production m/m	0.10%	0.1%	0.6%	Medium
6:00 PM	US	PPI m/m	-0.20%	0.1%	0.5%	High
6:00 PM	US	Unemployment Claims	242k	222k	229k	High
9:30 PM	US	Treasury Sec Yellen Speaks	-	-	-	Medium
8:00 PM	US	Natural Gas Storage	74B	75B	98B	Medium
Friday, June 14, 2024						
Tentative	Japan	BOJ Policy Rate		-	-	High
7:30 PM	US	Prelim UoM Consumer Sentiment		73.0	6.9	High
7:30 PM	US	Prelim UoM Inflation Expectations		-	3.3%	Medium



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