

May 14, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural gas	May	Buy	192-193	205	186	Intraday

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## News and Developments

- Spot gold prices gave up some of its last week's gains and lost almost 1% yesterday amid profit booking as most investors remained cautious ahead of this week's key inflation numbers from US. Further, hawkish comments from the Fed member Jefferson also weighed on the precious metals. Gold prices were also weighed down after the BOJ cut its monthly bond purchases for the first time in six months
- US dollar index edged lower but managed to rebound from its day's lows amid hawkish comments from the Fed member Jefferson. Further, rise in New York April 1-year inflation expectation to 5-month high at 3.26% also supported its recovery
- NYMEX crude oil prices recovered from its earlier losses as rise in Chinese inflation numbers boosted hopes that demand and economic growth continued to recover following substantial monetary support. Further, no sign of progress in ceasefire talks between Israel and Hamas also supported the oil prices to rise towards the \$79 mark. Moreover, growing speculation about extension of production cut by the OPEC+ to the 2<sup>nd</sup> half of the year also restricted its downside.
- Copper prices gained more than 1% on Monday amid tight supplies and bullish long term demand bets. Latest import data from China supported the metal after it indicated a rise in demand from China despite higher price.
- Zinc prices hits its highest level in a year on expectation of stronger demand growth from China.
- Natural gas futures regained its strength on Monday amid increase in export demand and lower US gas production.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71855	-1.20%	2336.32	-1.02%
Silver	84886	-0.03%	28.20	0.06%
Copper	883.5	1.58%	10185.50	1.81%
Aluminium	232.7	0.80%	2542.00	0.49%
Zinc	265.2	1.49%	2997.50	2.29%
Lead	194.9	0.39%	2250.50	1.26%
WTI Crude Oil	6594	0.66%	79.12	1.10%
US Nat Gas	196.6	3.80%	2.38	5.73%

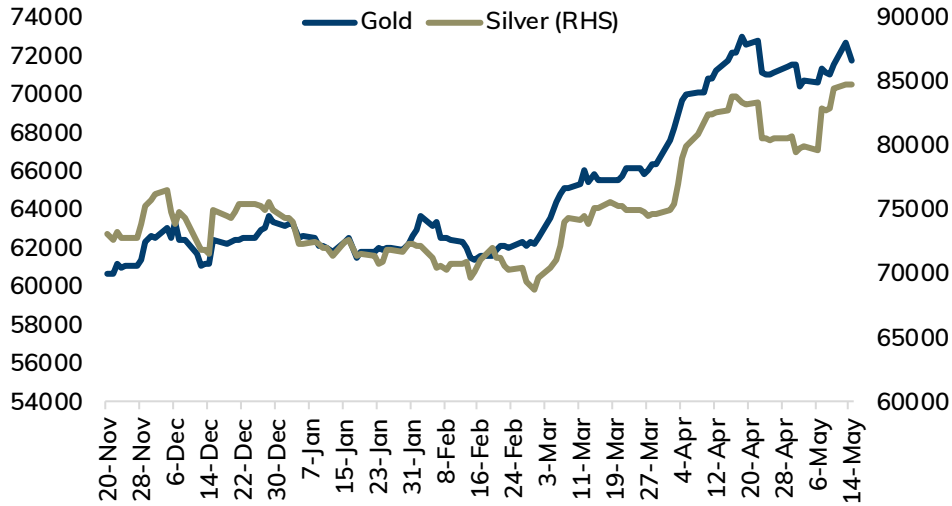
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th May)	83.56	0.01%	3093449	-100173	737410	582274
EURINR (29th May)	90.11	0.17%	16940	-268	2288	-1519
GBPINR (29th May)	104.59	0.07%	12320	223	1020	-1197

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	May	Sell	867-867.50	855	872	Not initiated

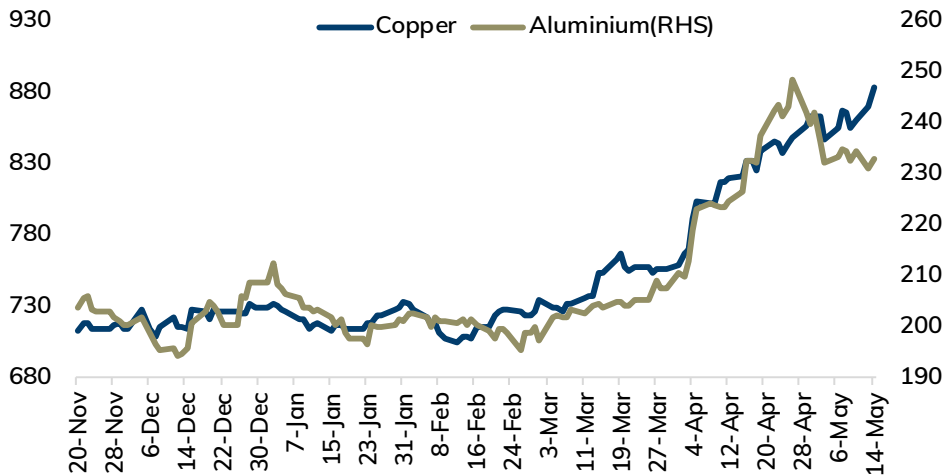
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected to face the hurdle near \$2360 and move lower towards \$2320 amid elevated inflation expectation in US. Further, hawkish comments from most of the members to keep the rates higher for longer would limit any major upside in the yellow metal. Today focus will remain on US PPI numbers, which is expected to rise by 0.3% MoM. Further, investors will also eye on Fed chair Powell's speech to get more clarity on the Fed's interest rate path.
- MCX Gold June is expected to consolidate between 71730 and 72420. A move below 71730 would weaken the precious metal to slide towards 71300. On the flipside a move above 72420, it would rally towards 72800.
- MCX Silver July is expected to hold the support near 84,000 and move towards the initial hurdle at 85,250. Only a move above 85,250, it would open the doors towards 86,000.

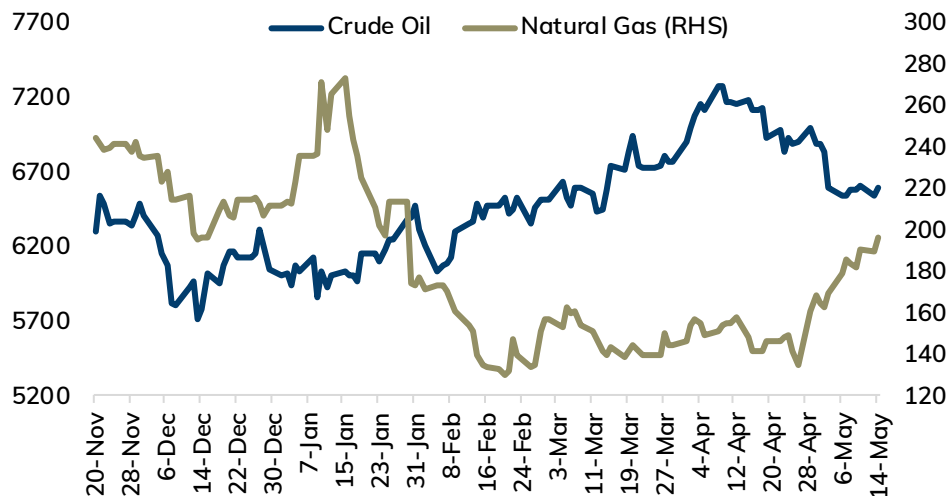
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to extend its gains amid supply concerns and hopes of fresh stimulus from China. In a latest development China is likely to sell its first batch of CNY1 trillion worth of ultralong bonds to support economic growth as the property sector growth is lagging. Additionally, low availability of material hampered the global supplies which could lead prices to stay higher.
- For the day MCX Copper May is likely to hold the support near 875 and move towards 892. Only a move below 875 it would correct towards 870.
- Aluminum May future is expected to consolidate in the band of 230 and 236. Only a move below 230 it would turn weaker and slide towards 227.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to hold the support near \$78 and move towards key hurdle at \$80 on tighter supply outlook. Persistence tension in the Middle east has raised the concerns that the war might spread to Lebanon and hurt the global supplies. Further, growing speculation that OPEC+ will extend its production cuts to the 2<sup>nd</sup> half of the year would also limit its downside. Meanwhile, investors await for US inflation data which could bring more clarity on the Fed's interest rate path.
- MCX Crude oil May future is expected to rise towards 6680, as long as it trades above 6500.
- Natural Gas prices are expected to hold its gains amid forecast of warm US temperature which will boost natural gas demand from electricity providers. MCX Natural Gas is expected to rise towards 205, as long as it holds above 186.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71342	71599	72006	72263	72670
Silver	83975	84431	84832	85288	85689
Copper	863.7	873.6	879.1	889.0	894.5
Aluminium	229.5	231.1	232.4	234.0	235.2
Zinc	257.8	261.5	263.9	267.6	269.9
Lead	193.3	194.1	194.8	195.6	196.3
Crude Oil	6459	6527	6583	6651	6707
Nat Gas	202	208	211	217	220

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.53	83.54	83.56	83.57	83.59
US\$INR (Jun)	83.60	83.62	83.65	83.67	83.70
EURINR (May)	89.64	89.87	90.19	90.42	90.73
EURINR (Jun)	89.97	90.03	90.07	90.13	90.17
GBPINR (May)	104.30	104.45	104.55	104.70	104.80
GBPINR (Jun)	104.58	104.61	104.63	104.66	104.68
JPYINR (May)	53.12	53.34	53.52	53.74	53.92
JPYINR (Jun)	54.28	54.37	54.51	54.60	54.74

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.22	105.30	-0.08%
US\$INR	83.53	83.50	0.03%
EURUSD	1.0790	1.0771	0.18%
EURINR	90.06	90.02	0.04%
GBPUSD	1.2559	1.2525	0.27%
GBPINR	104.65	104.62	0.02%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.116	7.128	-0.001683502
US	4.487	4.496	-0.00217957
Germany	2.510	2.517	-0.002781089
UK	4.174	4.166	0.001920307
Japan	0.937	0.912	0.027412281

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
4/3/2024	8:00 PM	3.2M	-0.3M
3/27/2024	8:00 PM	3.2M	-0.7M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	103100	-350	-0.34%
Aluminium	902550	-1300	-0.14%
Zinc	251400	-550	-0.22%
Lead	230075	-4500	-1.92%
Nickel	80466	180	0.22%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, May 13, 2024						
5:30 PM	India	CPI y/y	4.83%	4.80%	4.85%	High
All Day	Europe	Eurogroup Meetings	-	-	-	Medium
Tuesday, May 14, 2024						
11:30 AM	UK	Claimant Count Change	-	13.9K	10.9K	High
11:30 AM	UK	Average Earnings Index 3m/y	-	5.30%	5.60%	Medium
11:30 AM	UK	Unemployment Rate	-	4.30%	4.20%	Medium
6:00 PM	US	PPI m/m	-	0.30%	0.20%	High
7:30 PM	US	Fed Chair Powell Speaks	-	-	-	High
Wednesday, May 15, 2024						
2:30 PM	Europe	Flash GDP q/q	-	0.30%	0.30%	Medium
2:30 PM	Europe	Industrial Production m/m	-	-0.30%	0.80%	Medium
3:30 PM	India	Trade Balance	-	-	-15.6B	High
6:00 PM	US	CPI y/y	-	3.40%	3.50%	High
6:00 PM	US	Retail Sales m/m	-	0.40%	0.70%	High
6:00 PM	US	Empire State Manufacturing Index	-	-10.8	-14.3	High
8:00 PM	US	Crude Oil Inventories	-	-	-1.4M	Medium
Thursday, May 16, 2024						
5:20 AM	Japan	Prelim GDP q/q	-	-0.40%	0.10%	Medium
6:00 PM	US	Unemployment Claims	-	-	231K	High
6:00 PM	US	Building Permits	-	1.48M	1.46M	Medium
6:00 PM	US	Philly Fed Manufacturing Index	-	7.7	15.5	Medium
6:45 PM	US	Industrial Production m/m	-	0.20%	0.40%	Medium
8:00 PM	US	Natural Gas Storage	-	-	79B	Medium
Friday, May 17, 2024						
7:30 AM	China	Industrial Production y/y	-	5.40%	4.50%	High
7:30 AM	China	Retail Sales y/y	-	3.90%	3.10%	High



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