

September 24, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	October	Buy	5850-5860	6000	5780	Intraday

Research Analysts

Jay Thakkar
jay.thakkar@icicisecurities.com

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Anup Sahu
anup.sahu@icicisecurities.com

News and Developments

- Spot gold prices extended its gains for third day in a row amid steady rise in demand after the US Federal Reserve started its interest rate cut regime for the first time since 2020. Further, weaker economic numbers from US weighed on the yields and supported the yellow metal to scale new highs.
- Dollar index pared all its earlier gains after US manufacturing activity contracted for the third month in a row. Further, dovish comments from 3 Fed members for further interest rate cut amid diminishing prospects of higher inflation checked the upside in dollar.
- US treasury yields traded lower on Friday. 10-year US treasury yields settled at 3.73% and 2-year yields settled at 3.57%.
- NYMEX crude oil prices gave up early gains amid demand concerns. Weaker than expected manufacturing activity in US and Europe overshadowed the stimulus from China. Earlier China lowered its 14-day reverse repo rate by 10 bps to 1.85% to revive growth. Meanwhile, manufacturing activity in US fell to 47.0 against previous reading of 47.9.
- Base metals prices edged lower amid weak manufacturing activity in US and Europe. Contraction in the manufacturing activity overshadowed the short term interest rate cut by China. Meanwhile, improved risk appetite and loose monetary policy outlook from major central banks supported prices to rebound from its days low.
- NYMEX natural gas gained more than 4% on Monday as oil and gas producers continued to reduce output after months of lower prices. Furthermore, fear of supply disruption amid sign of another storm in the Gulf of Mexico also pushed prices to hit its 12-week high.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	74295	0.34%	2628.72	0.26%
Silver	89231	-1.00%	30.69	-1.55%
Copper	806.5	-0.36%	9548.50	0.76%
Aluminium	227.0	0.02%	2494.50	0.38%
Zinc	266.7	0.43%	2885.00	0.38%
Lead	179.2	-2.16%	2057.50	0.12%
WTI Crude Oil	5868	-1.01%	70.37	-2.16%
US Nat Gas	216.5	6.81%	2.61	7.35%

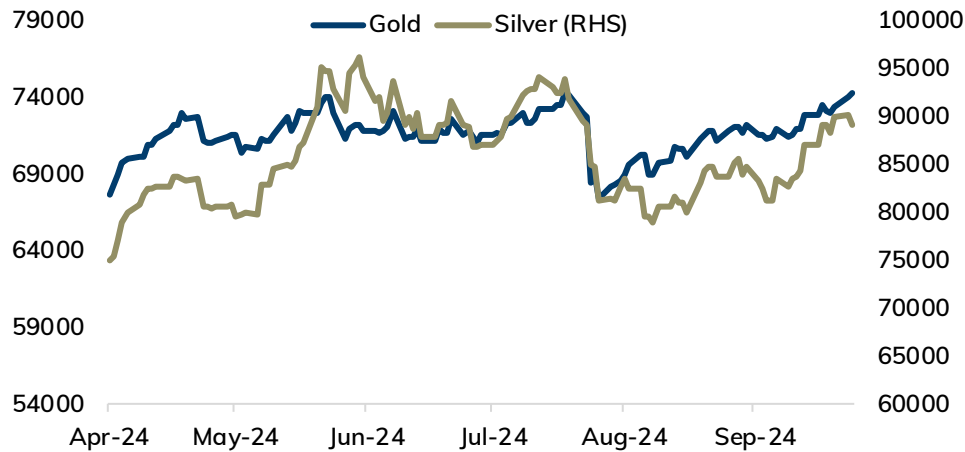
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th September)	83.57	-0.01%	2336901	-75164	445591	249164
EURINR (26th September)	92.94	-0.33%	33738	-1108	8873	5265
GBPINR (26th September)	111.14	0.09%	47225	-524	3272	-1079

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	October	Buy	73700-73750	74350	73400	Not initiated

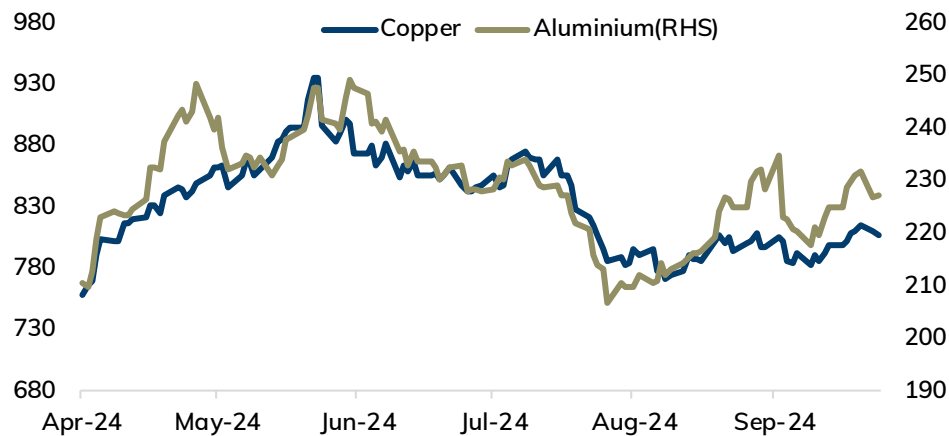
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to trade with a bullish bias amid soft dollar and lower US treasury yields. Persistence increase in ETF holdings and highest net longs in COMEX Futures which hit its highest level since 2020 indicates bullishness in price. Meanwhile, focus will remain on key US economic numbers and comments from Fed members, which could bring more clarity. COMEX Gold December future has highest OI concentration at 2700 strike, which could act as strong resistance for now.
- MCX Gold Oct is expected to hold the key support at 73750 and move higher towards 74,500. A move above 74,500 would open the doors towards 75,000.
- Spot silver has been holding the key support at \$30.20. As long as it holds above \$30.20 it is likely to move back towards \$31.20. MCX Silver is expected to rise towards 90,500 as long as it holds above 88,200. Only below 88,200 it would turn weaker.

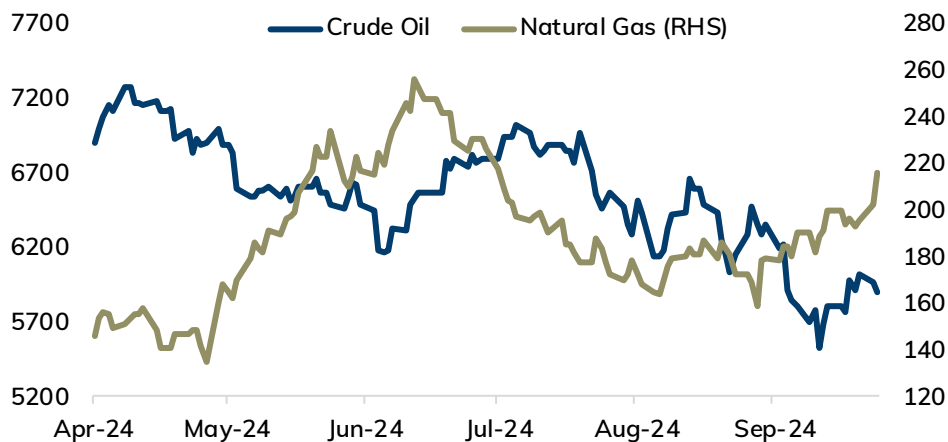
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to hold its ground and trade higher amid improved risk sentiments and the boost from the central bank of China. Further, improved demand of China's new energy passenger vehicles would keep demand hopes alive and push metal prices of Aluminum and Copper higher. Further, speculation of more measures from China to support the domestic real estate sector would support metal prices. The Government is planning to relax some major curbs on home purchase.
- MCX Copper October is expected to hold the immediate support of 20 day EMA at 812 and move higher towards 828.
- MCX Aluminium is expected to dip towards the 20 day EMA support at 227. A move below 227 would open the doors towards 225. Formation of bearish engulfing pattern on the daily charts indicates correction in prices. Above 231, it would turn bullish towards 233.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold the support of \$69 and regain its strength amid concerns of wider Middle East conflicts and a tropical storm could impact oil production in US. Escalating geopolitical tension in the Middle East is likely to support prices amid fear of supply disruption from the key regions. Further, risk of hurricane in US Gulf cost by end of this weekend could impact oil production from top oil producer. Prices, may find strength amid improved risk sentiments and growing prospects of more interest rate cut by major central banks to support growth in the economy.
- MCX Crude oil October is likely to move towards 6020, as long as it holds above 5800. Above 6020, it would open the doors towards 6140.
- MCX Natural gas October is expected to rise towards 245, as long as it holds above 228. Formation of new storm in US Golf coast which is likely to impact production in the region would push prices higher.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	73798	74046	74232	74480	74666
Silver	87378	88305	89267	90194	91156
Copper	786.1	796.3	809.1	819.3	832.2
Aluminium	223.7	225.3	226.9	228.6	230.2
Zinc	260.9	263.8	265.6	268.5	270.3
Lead	174.9	177.1	180.5	182.7	186.1
Crude Oil	5710	5789	5882	5961	6054
Nat Gas	201	209	213	221	226

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	83.42	83.49	83.53	83.61	83.65
US\$INR (Oct)	83.49	83.59	83.68	83.78	83.86
EURINR (Sep)	92.35	92.65	93.00	93.30	93.65
EURINR (Oct)	92.50	92.75	93.07	93.32	93.64
GBPINR (Sep)	110.49	110.82	111.02	111.35	111.55
GBPINR (Oct)	110.50	110.81	111.00	111.31	111.50
JPYINR (Sep)	57.69	57.99	58.15	58.45	58.61
JPYINR (Oct)	57.94	58.22	58.36	58.64	58.78

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.85	100.72	0.13%
US\$INR	83.55	83.57	-0.02%
EURUSD	1.1111	1.1162	-0.46%
EURINR	92.80	93.28	-0.52%
GBPUSD	1.3347	1.3321	0.20%
GBPINR	111.02	111.10	-0.07%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.768	6.762	0.01
US	3.749	3.741	0.01
Germany	2.156	2.208	-0.05
UK	3.923	3.903	0.02
Japan	0.850	0.850	0.00

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
9/11/2024	8:00 PM	0.8M	0.9M
9/5/2024	8:30 PM	-6.9M	-0.6M
8/28/2024	8:00 PM	-0.8M	-2.7M
8/21/2024	8:00 PM	-4.6M	-2.0M
8/14/2024	8:00 PM	1.4M	-1.9M
8/7/2024	8:00 PM	-3.7M	-1.6M
7/31/2024	8:00 PM	-3.4M	-1.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	301700	-1650	-0.54%
Aluminium	805525	-3500	-0.43%
Zinc	258050	1900	0.74%
Lead	203975	25	0.01%
Nickel	124140	6	0.00%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, September 23, 2024						
12:45 PM	Europe	French Flash Manufacturing PMI	44	44.3	43.9	High
1:00 PM	Europe	German Flash Manufacturing PMI	40.3	42.4	42.4	High
1:30 PM	Europe	Flash Manufacturing PMI	44.8	45.7	45.8	Medium
2:00 PM	UK	Flash Manufacturing PMI	51.5	52.3	52.5	High
7:15 PM	US	Flash Manufacturing PMI	47	48.6	47.9	High
7:15 PM	US	Flash Services PMI	55.4	55.3	55.7	High
Tuesday, September 24, 2024						
10:35 AM	Japan	BOJ Gov Ueda Speaks	-	-	-	High
1:30 PM	Europe	German ifo Business Climate	-	86.1	86.6	Medium
6:30 PM	US	S&P/CS Composite-20 HPI y/y	-	5.90%	6.50%	Medium
7:30 PM	US	CB Consumer Confidence	-	103.5	103.3	High
7:30 PM	US	Richmond Manufacturing Index	-	-17	-19	Medium
Wednesday, September 25, 2024						
7:30 PM	US	New Home Sales	-	693K	739K	Medium
8:00 PM	US	Crude Oil Inventories	-		-1.6M	Medium
Thursday, September 26, 2024						
11:30 AM	Europe	German GfK Consumer Climate	-	-22.6	-22	Medium
6:00 PM	US	Final GDP q/q	-	2.90%	3.00%	High
6:00 PM	US	Unemployment Claims	-	224K	219K	High
6:00 PM	US	Durable Goods Orders m/m	-	-2.70%	9.80%	Medium
6:00 PM	US	Final GDP Price Index q/q	-	2.50%	2.50%	Medium
6:50 PM	US	Fed Chair Powell Speaks	-	-	-	High
7:30 PM	US	Pending Home Sales m/m	-	0.50%	-5.50%	Medium
8:45 PM	US	Treasury Sec Yellen Speaks	-	-	-	Medium
Friday, September 27, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	-	2%	2.40%	Medium
6:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.20%	High
6:00 PM	US	Personal Spending m/m	-	0.30%	0.50%	Medium



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Bhavesh Soni Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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