

December 2, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	December	Buy	804-804.50	814	800	Intraday

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News and Developments

- Bullion prices rallied almost 1% on the last trading day of the week as the dollar and US treasury yields weakened after the Thanksgiving holiday. Safe haven demand has supported the bullions to trade higher.
- U.S dollar index edged lower on Friday in a holiday shortened week. Weakness in the US treasury yields also weighed on the dollar to move towards 106.
- US 10-treasury yields hit 1-month lows on Friday, while two-year yields hit its lowest in 3-week amid growing prospects of December rate cut by the Federal Reserve. As per the CME Fed-watch tool December rate cut probability has increased to 66% from 53% a week.
- NYMEX Crude oil pared all its earlier gains and edged lower on Friday amid weak energy demand from China. Demand for oil in October has declined by 5.4% and this year it was down by 4.0% YoY to 14.0 million bpd. Meanwhile, dollar weakness and growing prospects of delay in OPEC+'s planned oil production increase has provided some support to oil prices. Further, escalating geopolitical tension between Ukraine and Russia also supported the oil prices to stay near \$68.
- Copper price held its ground and moved in thin range amid improved demand from China and depleting inventory levels in LME and SHFE. Further, hopes of fresh round of stimulus and improvement in manufacturing activity has supported the base metals to trade higher. Moreover, improved risk sentiments and softness in the dollar also strengthened the metals to recoup some of its earlier losses.
- NYMEX Natural gas prices moved higher on Friday amid forecast of cooler weather in eastern parts of US, which could elevate heating demand.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	77128	0.75%	2643.15	0.20%
Silver	88881	1.00%	30.63	1.33%
Copper	808.9	0.19%	9010.50	0.09%
Aluminium	242.4	0.29%	2594.00	-0.19%
Zinc	286.7	1.38%	3103.00	1.60%
Lead	177.7	0.00%	2072.50	0.75%
WTI Crude Oil	5814	-0.51%	68.00	-1.05%
US Nat Gas	283.2	1.76%	3.36	4.96%

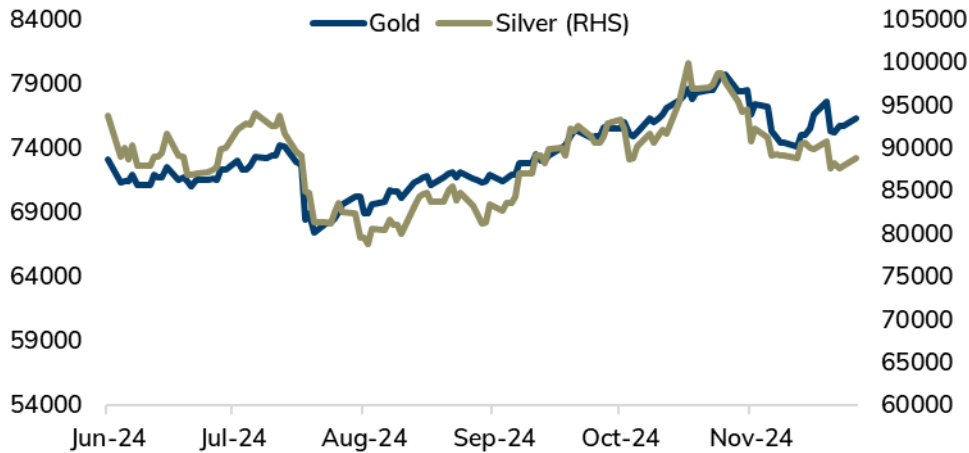
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Dec)	84.67	0.08%	2904353	594634	962535	-361371
EURINR (27th Dec)	89.61	0.17%	9136	589	3410	1653
GBPINR (27th Dec)	107.55	0.35%	20489	1378	2930	368

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	December	Buy	272-273	284	268	Not Initiated

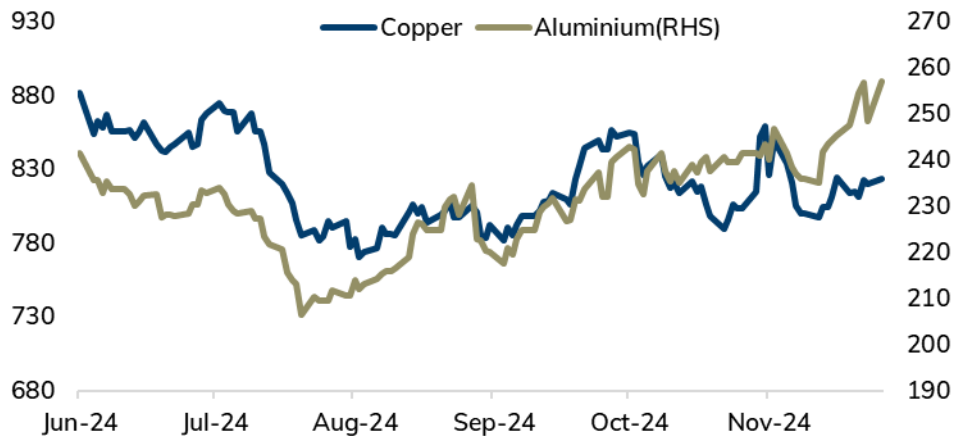
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to trade lower and move towards \$2605 amid strong dollar as better than expected US economic numbers fueled the bets of gradual pace of Fed rate cut cycle in 2025. Further, cease-fire in the Middle East and latest efforts from the Trump administration to cool down geopolitical tensions could check the upside in the bullions. Meanwhile, trade worries and escalating tension between Ukraine and Russia could bring Safe haven demand. Meanwhile, investors focus will turn towards next week's key US job report.
- Spot gold is likely to face the hurdle near \$2675 and move lower towards \$2605. A move below \$2605 would open the doors towards \$2580. MCX Gold February is expected to weaken towards 76,000 as long as it trades under 77,400. Below 76,000 it would weaken further towards 75,500.
- MCX Silver March is expected to move towards 89,400, as long as it trades below 92,400.

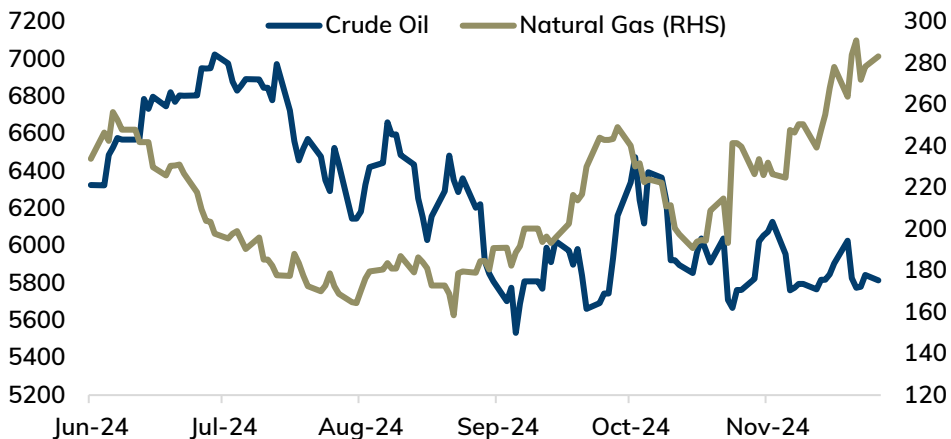
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to move in a tight range with positive bias following improved manufacturing PMI data from China. Further, improved demand outlook and depleting inventory levels would also provide support to the base metals. On the other hand, a strong dollar and forecast of weak global manufacturing activities would check its upside. US ISM manufacturing PMI is likely to remain in the contraction phase for the 8th month in a row
- MCX Copper December is expected to hold the support of 800 and move higher towards 814. A move above 814 would open the doors towards 820.
- Aluminum is expected to find the floor near 239(50 day EMA) and move back towards 244.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is likely to remain in the range of \$67 and \$70 ahead of the key OPEC+ meeting on December 5th. Growing speculation on delay in output rise by OPEC would provide support. Meanwhile, a strong dollar and sluggish demand growth from China would check its upside. Moreover, weaker economic numbers from US and Europe could hurt the demand outlook.
- On the data front, fresh addition of OI in \$70 call strike indicates price to face stiff resistance. A bearish cross over of 20 and 50 day EMA indicates price to remain under pressure. MCX Crude oil December is likely to face the resistance at 5920 and move lower towards 5700.
- Natural gas December future is expected to regain its strength amid forecast of colder weather in eastern parts of US. MCX Natural gas is expected to hold the support of 268 and move higher towards 284. Only close below 268 it would turn weaker towards 262.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	76797	76963	77105	77271	77413
Silver	86416	87648	89568	90800	92720
Copper	804.6	806.8	809.7	811.8	814.7
Aluminium	241.2	241.8	242.6	243.2	244.1
Zinc	280.3	283.5	285.3	288.5	290.2
Lead	177.7	177.7	177.7	177.7	177.7
Crude Oil	5711	5762	5834	5885	5957
Nat Gas	274	279	283	287	291

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Dec)	84.55	84.61	84.66	84.72	84.77
US\$INR (Jan)	84.70	84.74	84.76	84.80	84.82
EURINR (Dec)	89.38	89.50	89.63	89.74	89.87
EURINR (Jan)	90.96	90.41	90.96	90.41	90.96
GBPINR (Dec)	107.05	107.30	107.60	107.85	108.15
GBPINR (Jan)	107.48	107.60	107.48	107.60	107.48
JPYINR (Dec)	56.33	56.54	56.72	56.93	57.11
JPYINR (Jan)	58.29	57.59	58.29	57.59	58.29

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.74	106.05	-0.29%
US\$INR	84.49	84.49	0.00%
EURUSD	1.0577	1.0552	0.24%
EURINR	89.22	89.00	0.25%
GBPUSD	1.2735	1.2687	0.38%
GBPINR	107.25	106.89	0.33%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.743	6.833	-0.01
US	4.169	4.263	-0.02
Germany	2.088	2.127	-0.02
UK	4.242	4.275	-0.01
Japan	1.048	1.056	-0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
11/20/2024	8:00 PM	0.5M	-0.1M
11/14/2024	8:00 PM	2.1M	0.4M
11/6/2024	8:00 PM	2.1M	0.3M
10/30/2024	8:00 PM	-0.5M	1.5M
10/23/2024	8:00 PM	5.5M	0.9M
10/17/2024	8:30 PM	-2.2M	1.8M
10/9/2024	8:00 PM	5.8M	2.0M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	271000	475	0.18%
Aluminium	695975	-2500	-0.36%
Zinc	276850	8225	3.06%
Lead	271850	275	0.10%
Nickel	159966	0	0.00%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, December 2, 2024						
7:15 AM	China	Caixin Manufacturing PMI	-	50.6	50.3	Medium
8:30 PM	US	ISM Manufacturing PMI	-	47.7	46.5	High
Tuesday, December 3, 2024						
8:30 PM	US	JOLTS Job Openings	-	7.49M	7.44M	High
Wednesday, December 4, 2024						
7:15 AM	China	Caixin Services PMI	-	52.5	52	Medium
6:45 PM	US	ADP Non-Farm Employment Change	-	166K	233K	High
8:30 PM	US	ISM Services PMI	-	55.5	56	High
9:00 PM	US	Crude Oil Inventories	-	-	-1.8M	Medium
Thursday, December 5, 2024						
12:15 AM	US	Fed Chair Powell Speaks	-	-	-	High
12:30 PM	Europe	German Factory Orders m/m	-	-2%	4.20%	Medium
3:00 PM	UK	Construction PMI	-	53.5	54.3	Medium
All Day	All	OPEC-JMMC Meetings	-	-	-	High
7:00 PM	US	Unemployment Claims	-	215K	213K	High
9:00 PM	US	Natural Gas Storage	-	-	-2B	Medium
Friday, December 6, 2024						
12:30 PM	Europe	German Industrial Production m/m	-	1%	-2.50%	Medium
7:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.40%	High
7:00 PM	US	Non-Farm Employment Change	-	202K	12K	High
7:00 PM	US	Unemployment Rate	-	4.20%	4.10%	High
8:30 PM	US	Prelim UoM Consumer Sentiment	-	73.1	71.8	Medium



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