

July 26, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	August	Buy	794.50-795	803	790	Intraday

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## News and Developments

- Spot gold prices edged lower yesterday losing 1.33%, while Silver lost more than 3.5% amid recovery in dollar following mixed batch of economic data from US
- Dollar ended on positive note yesterday gaining 0.07% after data showed US economy expanded faster than expected. Further, jobless claims data were also consistent with an economy still holding up well. However, decline in durable goods orders and slow down in inflation figures in Second quarter prevented any sharp upside move
- Advance estimates showed that US GDP grew at a 2.8% annualized rate in the last quarter. The Core-PCE increased at a 2.9% rate after surging at a 3.7% pace in the first quarter.
- Initial claims for state unemployment benefits dropped 10,000 to a seasonally adjusted 235,000 for the week ended July 20. Durable goods orders fell 6.6% in June on slumping transportation orders, compared with expectations for a 0.3% rise
- In a reversal from Wednesday's trading, shorter-duration yields were higher. Yield on benchmark US 10-year treasury note slipped to 4.245% and 2-year treasury yield, which typically moves in step with interest rate expectations rose to 4.435%.
- Crude oil prices settled higher yesterday gaining more than 1% after stronger than expected GDP data from US stoked expectations for higher crude oil demand. Additionally, China's central bank unexpectedly cut interest rates in a move to shore up its weakening economy
- Copper prices recovered after China's central bank delivered a surprise and unscheduled cut to its 1year medium-term lending facility rate to support economic growth. Moreover, US economy grew faster than expected in the second quarter

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	67462	-2.16%	2364.56	-1.38%
Silver	81331	-4.20%	27.85	-3.67%
Copper	785.6	-1.27%	9122.00	0.20%
Aluminium	206.6	-3.05%	2270.50	-1.30%
Zinc	257.6	-0.56%	2681.00	-0.15%
Lead	193.8	1.79%	2028.50	-0.76%
WTI Crude Oil	6572	0.78%	78.28	0.89%
US Nat Gas	172.5	-2.93%	2.04	-3.59%

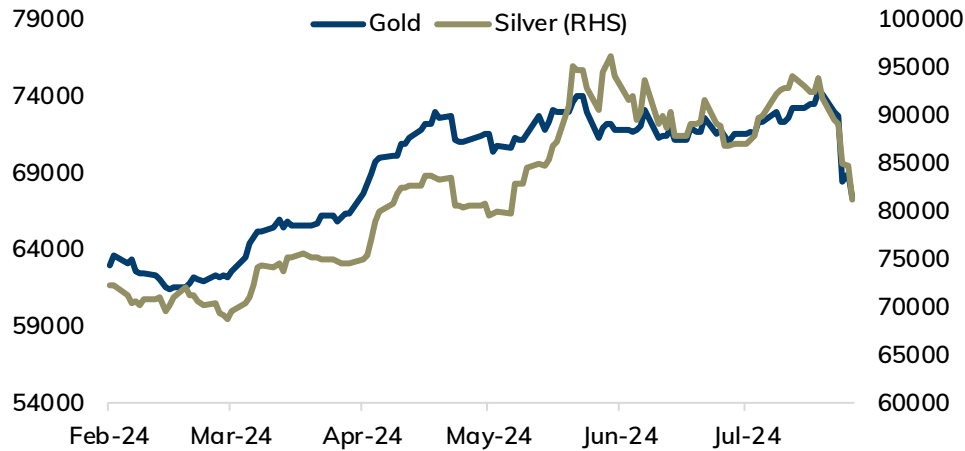
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th July)	83.75	0.02%	2412009	-69414	194683	76033
EURINR (29th July)	90.89	0.23%	21529	-483	1260	-1455
GBPINR (29th July)	107.89	-0.16%	31027	-3496	6008	3593

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	August	Sell	59000-69050	68300	69400	Not initiated

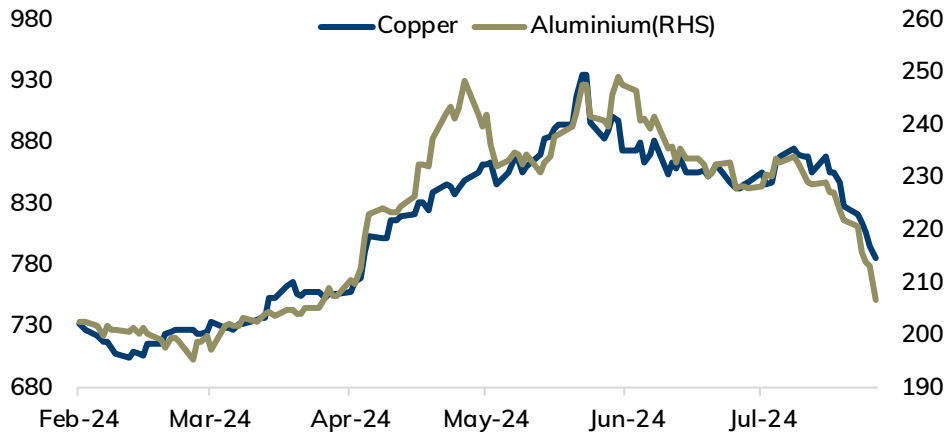
## MCX Gold vs. Silver



## Bullion Outlook

- Intl Gold is expected to rise back towards \$2390 level on expectation of correction in dollar and US treasury yields. Yields and Dollar may move south on expectations that US core-PCE prices index, Fed's preferred inflation gauge is likely to show ease in price pressure in June, boosting hopes for rate cut in September. Moreover, demand for safe haven may increase on escalating tension in Middle East. Meanwhile, higher OI concertation at call strike 2400 will act as a stiff resistance for the prices. Gold is likely to rise back towards \$2390 level as long as it stays above \$2335 level
- MCX Gold is expected to hold the support near 67,100 level and rise back towards 68,000 level. A break above 68,000 level it may rise further towards 68,500 level
- MCX Silver September is expected to rise back towards 82,500 level as long as it stays above 80,500 level. A break above 82,500 level prices may rise further towards 83,500

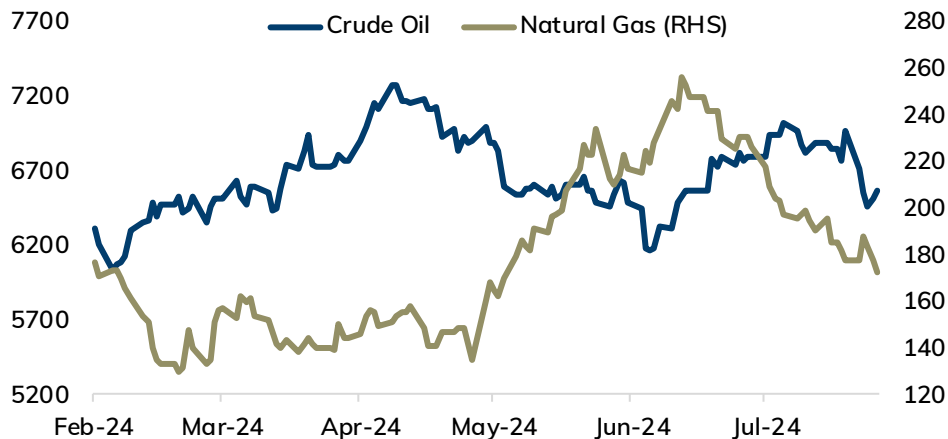
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade with positive bias on expectation of correction in dollar. Further, China's central bank surprised markets for a second time this week by conducting an unscheduled lending operation at steeply lower rates, signaling PBOC trying to provide monetary stimulus to revive economic growth. Additionally, China's yangshan premium, an indicator of import demand, remained near three-month high of \$25 per ton yesterday, indicating recovery in demand.
- MCX Copper Aug is expected to rise back towards 810 level as long as it stays above 784 level. A break above 810 prices may rally further towards 814 level
- Aluminum is expected move north towards 214 level as long as it stays above 209.50 level. A break above 214 level prices may rise further towards 217 level

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to rise back towards \$79.50 level on expectation of correction in dollar. Further, US economy grew faster than expected in the second quarter while inflation eased, boosting expectations that US Fed would lower interest rates in September. Lower borrowing cost tend to boost economic growth, which can spur oil demand. Additionally, prices may rally on supply concerns as in Canada, hundreds of wildfires are burning in the western provinces of British Columbia and Alberta, including in the area of oil sands hub Fort McMurray. The hub produces 3.3 million barrels per day of crude. NYMEX Crude oil is likely to rise back towards \$79.50 level as long as it trades above \$76.60 level (200-Day EMA)
- MCX Crude oil is likely to move north towards 6750 level as long as it stays above 200-Day EMA at 6350 level
- MCX Natural gas is expected to fall further as the 22Bcf build in inventories for last week landed above most expectations. MCX Natural gas Aug is likely to dip towards 165 level as long as it stays below 183 level

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	66951	67206	67656	67911	68361
Silver	78331	79831	82166	83666	86001
Copper	769.3	777.4	785.1	793.3	801.0
Aluminium	201.5	204.0	208.0	210.5	214.5
Zinc	250.1	253.8	258.3	262.1	266.6
Lead	188.6	191.2	192.6	195.2	196.5
Crude Oil	6315	6444	6511	6640	6707
Nat Gas	165	169	175	178	184

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (July)	83.64	83.69	83.72	83.77	83.80
US\$INR (Aug)	83.70	83.76	83.79	83.84	83.87
EURINR (July)	90.55	90.72	90.78	90.95	91.01
EURINR (Aug)	90.63	90.75	90.81	90.93	90.99
GBPINR (July)	107.66	107.78	107.92	108.04	108.18
GBPINR (Aug)	107.73	107.79	107.86	107.92	107.98
JPYINR (July)	54.00	54.46	54.70	55.16	55.40
JPYINR (Aug)	54.18	54.61	54.83	55.26	55.48

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.36	104.39	-0.03%
US\$INR	83.71	83.72	-0.01%
EURUSD	1.0846	1.0840	0.06%
EURINR	90.83	90.76	0.09%
GBPUSD	1.2851	1.2907	-0.43%
GBPINR	107.86	108.07	-0.20%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.952	6.963	0.00
US	4.241	4.284	-0.01
Germany	2.417	2.444	-0.01
UK	4.130	4.156	-0.01
Japan	1.059	1.081	-0.02

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
7/24/2024	8:00 PM	-3.7M	-2.6M
7/17/2024	8:00 PM	-4.9M	-0.9M
7/10/2024	8:00 PM	-3.4M	0.7M
7/3/2024	8:00 PM	-12.2M	-0.4M
6/26/2024	8:00 PM	3.6M	-2.6M
6/20/2024	8:30 PM	-2.5M	-2.8M
6/12/2024	8:00 PM	3.7M	-1.2M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	239425	-2325	-0.96%
Aluminium	947225	-1225	-0.13%
Zinc	243975	-1575	-0.64%
Lead	250875	-75	-0.03%
Nickel	104214	528	0.51%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, July 22, 2024						
6:45 AM	China	1-y Loan Prime Rate	3.35%	3.45%	3.45%	Medium
6:45 AM	China	5-y Loan Prime Rate	3.85%	3.95%	3.95%	Medium
Tuesday, July 23, 2024						
7:30 PM	Europe	Consumer Confidence	-13	-13	-14	Medium
7:30 PM	US	Existing Home Sales	3.89M	3.99M	4.11M	Medium
7:30 PM	US	Richmond Manufacturing Index	-17	-7	-10	Medium
Wednesday, July 24, 2024						
6:00 AM	Japan	Flash Manufacturing PMI	49.2	50.5	50	Medium
12:45 PM	Europe	French Flash Manufacturing PMI	44.1	45.7	45.4	High
1:00 PM	Europe	German Flash Manufacturing PMI	42.6	44.1	43.5	High
1:30 PM	Europe	Flash Manufacturing PMI	45.6	46	45.8	Medium
2:00 PM	UK	Flash Manufacturing PMI	51.8	51.1	50.9	High
2:00 PM	UK	Flash Services PMI	52.4	52.5	52.1	High
7:15 PM	US	Flash Manufacturing PMI	49.5	51.6	51.6	High
7:15 PM	US	Flash Services PMI	56	54.5	55.3	High
7:30 PM	US	New Home Sales	617k	643K	619K	Medium
8:00 PM	US	Crude Oil Inventories	-3.7M	-2.6M	-4.9M	Medium
Thursday, July 25, 2024						
1:30 PM	Europe	German ifo Business Climate	8.7	88.9	88.6	Medium
6:00 PM	US	Advance GDP q/q	2.80%	1.90%	1.40%	High
6:00 PM	US	Unemployment Claims	235k	239K	243K	High
6:00 PM	US	Durable Goods Orders m/m	-6.60%	0.40%	0.10%	Medium
Day 1	All	G20 Meetings	-	-	-	Medium
Friday, July 26, 2024						
6:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.10%	High
6:00 PM	US	Personal Spending m/m	-	0.30%	0.20%	Medium
Day 2	All	G20 Meetings	-	-	-	Medium



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