

July 10, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	August	Buy	72250-72280	72750	72000	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

- Gold prices remained near the \$2360 mark after a volatile session as the US Federal chair Jerome Powell reiterated that further progress in inflation is necessary before lowering the rates this year. Meanwhile, increasing gold holdings in ETFs to two month highs has supported the precious metals to hold its ground.
- Spot silver edged lower amid strong dollar and rise in US treasury yields after the Fed chair didn't give any clear signal on the timing of rate cut.
- Dollar index moved above the 105 mark as the Federal chair didn't give a clear signal on timing of interest rate cut and emphasized to wait for more data to confirm the timing of first interest rate cut.
- NYMEX Crude oil prices traded lower on firm dollar and as hurricane that hit Texas caused less damage than expected. Reduced supply concerns has weighed on the oil prices. Furthermore, weakness in crude demand from China also weighed on oil prices to slip below the \$82 mark. Meanwhile, tension in the Middle East and lower supplies from Russia provided support to oil price.
- Copper prices pared its earlier gains and edged lower amid demand uncertainty from China as the manufacturing activity in the region contracted for the 2<sup>nd</sup> month in a row. Further, rebound in the dollar also checked the upside in the red metal. Moreover, expectation of weak factory orders data also dented the demand outlook. On the other hand growing bets on fresh round of stimulus from China has limited the downside in the metal
- Natural Gas prices, pared all its earlier gains amid forecast of moderation in temperature which would lead to less demand. The latest EIA report suggested a 14% YoY growth in gas demand from the electricity providers.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72398	0.09%	2364.09	0.21%
Silver	92969	0.38%	30.80	0.13%
Copper	868.9	-0.10%	9869.00	-0.46%
Aluminium	230.4	-0.99%	2496.50	-1.38%
Zinc	271.7	0.06%	2930.50	-0.85%
Lead	188.6	-0.82%	2194.00	-1.68%
WTI Crude Oil	6830	-0.70%	81.41	-1.12%
US Nat Gas	199.1	0.66%	2.34	-0.93%

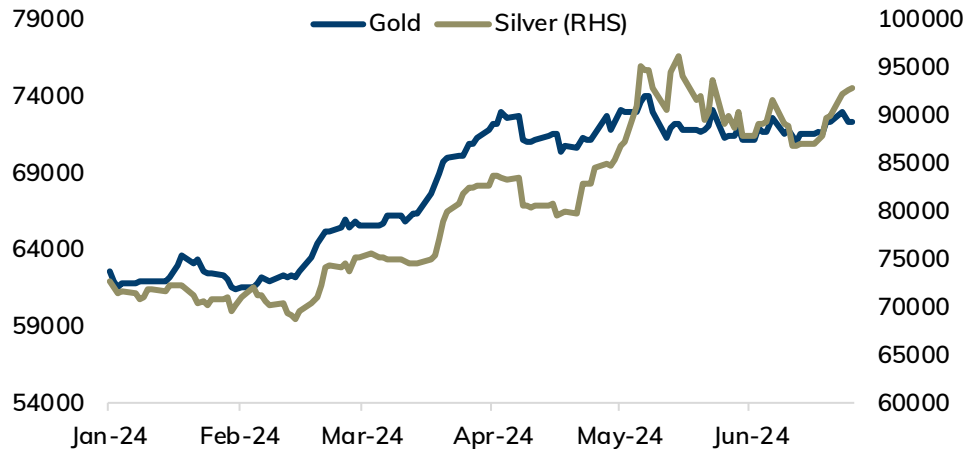
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th July)	83.55	-0.01%	2468104	2591	57953	-67046
EURINR (29th July)	90.47	-0.01%	20866	352	4610	1011
GBPINR (29th July)	106.95	-0.03%	27590	481	1223	-3191

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	August	Buy	72060-72100	72750	71800	Not Initiated

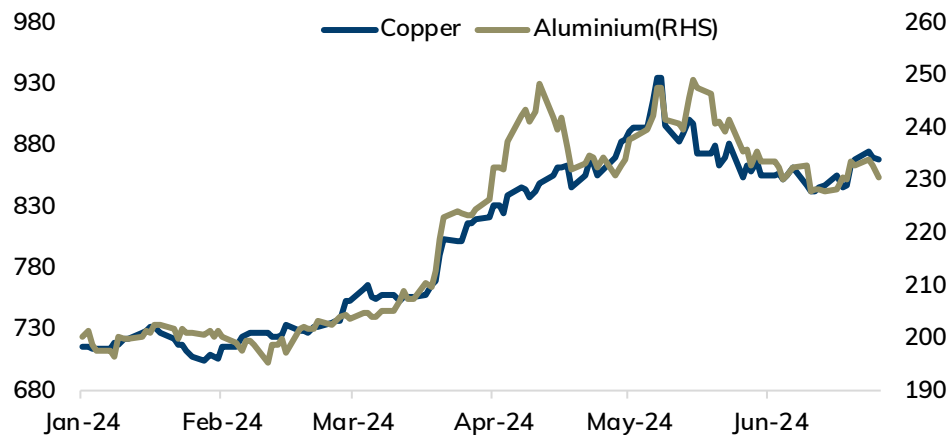
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected to hold the support at \$2350 and move in a tight range ahead of the key economic numbers from US this week. Focus now shifts to the US inflation report which would give more clarity on the timing of the 1<sup>st</sup> interest rate cut in US. Any sign of moderation in the inflation number would increase the chances of September rate cut. The CME Fed-watch tool indicates more than 73% probability of rate cut in September. Further, rise in holdings by physically backed gold ETFs would also support the bullions to hold its ground firm.
- MCX Gold Aug is expected to hold the key support of 10 day EMA at 72,100 and move towards 72,800. Above 72800 it would open the doors towards 73,200.
- MCX Silver September is expected to hold the support near the breakout level at 91,800 and rise towards 93,800. Only below 91,800 it would turn weak and slide towards 90,500.

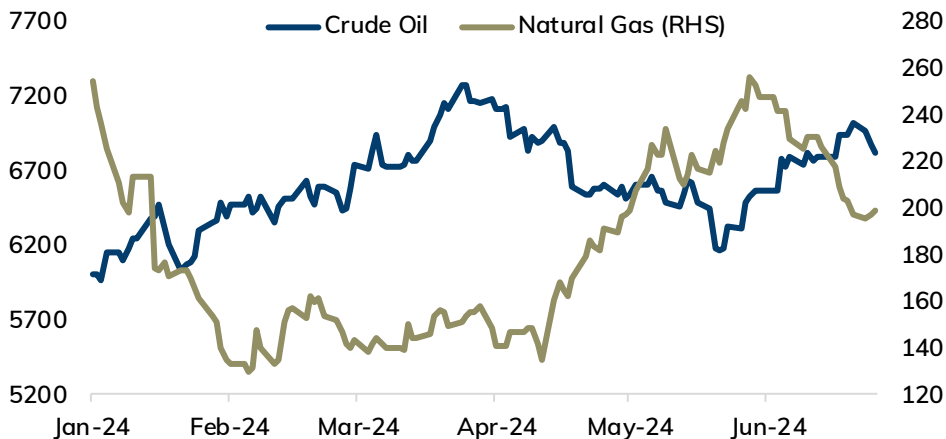
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to hold its ground amid hopes over policy support from China. Again, rise in premium on imported copper for the first time in two months would also strengthen the bullish outlook in the metal. Further, lower inflation numbers and slower factory orders data would give more reasons for fresh round of stimulus from China.
- MCX Copper July is expected to hold the support of 20 day EMA support at 860 and move back towards 878 mark. Only a move above 878 it would turn bullish and open the doors towards 884.
- Aluminum is expected to face the hurdle near 233 and move lower towards 229. Higher production in China and rise in LME inventory levels would check its upside.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to hold the support near \$81 and rebound towards \$84 amid steady demand after the US API data indicated a drawdown in crude and gasoline inventory. Further, outlook for higher oil demand by EIA in its latest report would support the oil prices to regain its strength. Additionally, increasing bets of rate cut in September by the Federal Reserve would limit the downside. Meanwhile, focus will remain on the weekly EIA inventory data which might give further clarity in price trend. Further, higher OI concentration at 85 strike call would act as good supply zone
- MCX Crude oil July is likely to hold the 20 day EMA support at 6780 and move towards 6940. Only close below 6780 it would turn weaker towards 6700.
- MCX Natural gas July is likely face the hurdle near 208 and move lower towards 192. Only a move above 208 it would rise towards 215.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71858	72128	72381	72651	72904
Silver	91685	92327	93009	93651	94333
Copper	858.1	863.5	869.9	875.3	881.6
Aluminium	227.2	228.8	231.3	232.9	235.4
Zinc	269.1	270.4	272.1	273.4	275.1
Lead	186.6	187.6	189.0	190.0	191.5
Crude Oil	6743	6787	6836	6880	6929
Nat Gas	190	195	200	204	209

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (July)	83.48	83.51	83.54	83.58	83.61
US\$INR (Aug)	83.56	83.59	83.61	83.64	83.66
EURINR (July)	90.36	90.42	90.47	90.53	90.58
EURINR (Aug)	90.60	90.65	90.62	90.67	90.65
GBPINR (July)	106.81	106.88	106.93	106.99	107.04
GBPINR (Aug)	106.22	106.58	106.76	107.12	107.31
JPYINR (July)	51.84	51.93	51.99	52.08	52.14
JPYINR (Aug)	52.23	52.26	52.23	52.26	52.23

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.13	105.00	0.12%
US\$INR	83.50	83.50	-0.01%
EURUSD	1.0813	1.0824	-0.10%
EURINR	90.37	90.50	-0.14%
GBPUSD	1.2786	1.2807	-0.16%
GBPINR	106.94	107.04	-0.09%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.988	6.990	0.00
US	4.296	4.278	0.00
Germany	2.580	2.540	0.02
UK	4.159	4.113	0.01
Japan	1.092	1.095	0.00

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
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

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	191025	-450	-0.24%
Aluminium	988525	-5650	-0.57%
Zinc	256375	-2300	-0.89%
Lead	216925	-1875	-0.86%
Nickel	97872	402	0.41%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, July 08, 2024						
11:30 AM	Europe	German Trade Balance	24.9B	19.9B	22.1B	Medium
2:00 PM	Europe	Sentix Investor Confidence	-7.3	-0.6	0.3	Medium
Tuesday, July 09, 2024						
7:30 PM	US	Fed Chair Powell Testifies	-	-	-	High
Wednesday, July 10, 2024						
7:00 AM	China	CPI y/y	0.20%	0.40%	0.30%	High
7:00 AM	China	PPI y/y	-0.80%	-0.80%	-1.40%	High
7:30 PM	US	Fed Chair Powell Testifies	-	-	-	High
8:00 PM	US	Crude Oil Inventories	-	-	-12.2M	Medium
Thursday, July 11, 2024						
11:30 AM	UK	GDP m/m	-	0.20%	0.00%	High
11:30 AM	UK	Industrial Production m/m	-	0.30%	-0.90%	Medium
6:00 PM	US	CPI y/y	-	3.10%	3.30%	High
6:00 PM	US	Unemployment Claims	-	236K	238K	High
Friday, July 12, 2024						
Tentative	China	Trade Balance	-	590B	586B	High
5:30 PM	India	CPI y/y	-	4.80%	4.75%	High
6:00 PM	US	PPI m/m	-	0.10%	-0.20%	High
7:30 PM	US	Prelim UoM Consumer Sentiment	-	67	68.2	High
7:30 PM	US	Prelim UoM Inflation Expectations	-	-	3%	High



---

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

---

# Disclaimer



I/We, Jay Thakkar MBA (Finance), Raj Deepak Singh BE, MBA (Finance), Saif Mukadam BSc, MMS (Finance), Anup Sahu BSc, MBA (Finance) Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com).

## Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

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

For any queries or grievances: Mr. Bhavesh Soni Email address: [headservicequality@icicidirect.com](mailto:headservicequality@icicidirect.com) Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit [icicidirect.com](http://icicidirect.com) to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.



# Disclaimer



Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.