

June 4, 2024

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	June	Buy	874-875	885	869	Intraday

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News and Developments

- Spot gold prices edged higher yesterday gaining 1% while, silver prices rose more than 1% amid weak dollar and decline in US treasury yields. Further, weaker than expected economic data from US, cemented expectations that US Fed would start cutting rates sooner this year
- Dollar index slipped by 0.55% and fell to a 3-week low after data showed US economy is gradually slowing down, signaling that Federal Reserve is on track to start cutting interest rates later this year. Data showed manufacturing activity slowed for a 2nd consecutive month in May, and construction spending fell unexpectedly for a 2nd successive month in April on declines in non-residential activity.
- US ISM Manufacturing fell to 48.7 in May, from 49.2 in April, sliding as well from an 18-month high of 50.3 seen in March. Construction spending also slid unexpectedly in April, decreasing by 0.1% after a 0.2% decline in March
- US Treasury yields fell to a two-week low on Monday after data showed that US economy is slowing down gradually, boosting hopes that a softening economy may allow the Federal Reserve to cut interest rates later this year. Yield on benchmark US 10-year treasury note slipped to 4.392% and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower to 4.812%.
- Crude oil prices settled lower on Friday losing more than 4% on weaker than expected economic data from US and signs of weakening demand growth. Additionally, prices slipped as OPEC+ decided that 2.2mbpd voluntary cut will be prolonged by 3 months until end of September 2024 but may roll back beginning in the 4th quarter depending on market conditions
- Copper prices rose yesterday on weakness in dollar and upbeat economic data from China. Chinese manufacturing activity grew at its fastest pace in nearly 2 years last month. The Caixin/S&P Global manufacturing PMI rose to 51.7 in May from 51.4 the previous month

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71730	-0.22%	2350.75	1.01%
Silver	92033	0.51%	30.73	1.07%
Copper	886.0	1.63%	10143.00	1.03%
Aluminium	242.1	0.50%	2661.50	0.34%
Zinc	262.7	-1.09%	2943.00	-0.89%
Lead	192.4	0.37%	2288.00	0.66%
WTI Crude Oil	6181	-4.22%	74.22	-3.60%
US Nat Gas	225.2	4.65%	2.76	6.53%

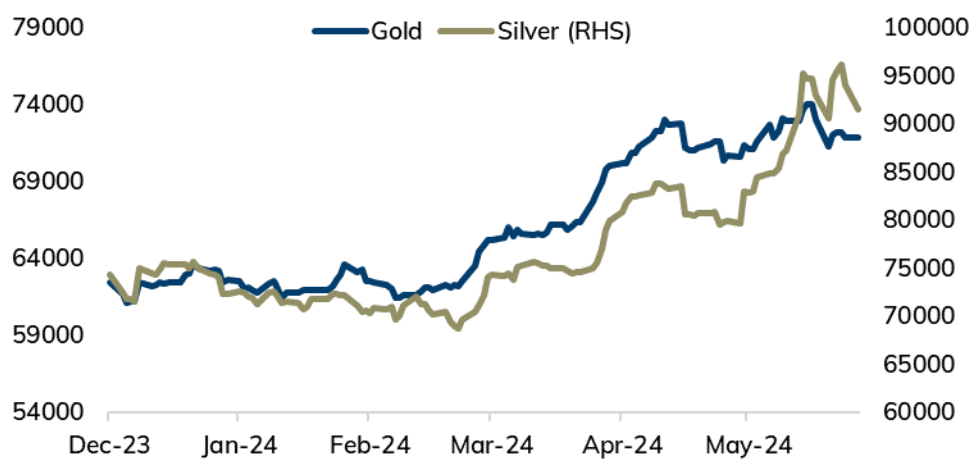
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.19	-0.37%	2247341	-34877	295633	-330550
EURINR (26th June)	90.27	-0.33%	16780	-953	2616	-2130
GBPINR (26th June)	105.73	-0.34%	13598	-2326	3572	1304

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	June	Buy	6440-6450	6600	6350	Stoploss Triggered

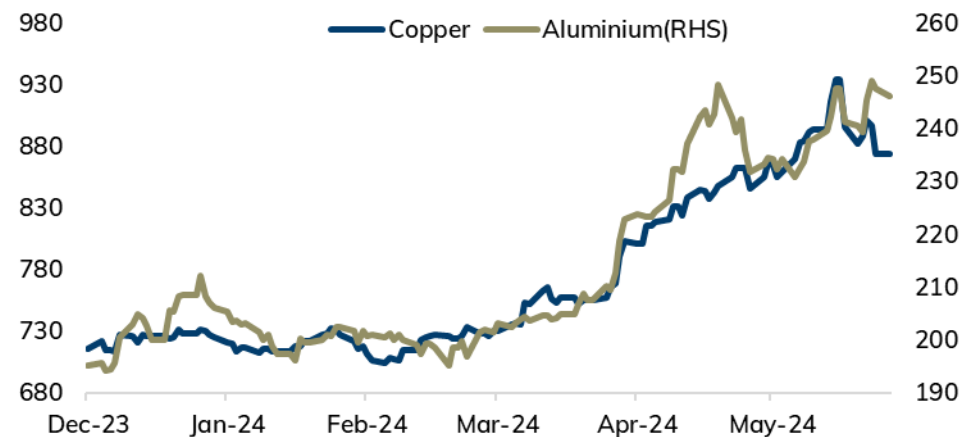
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to rise further towards \$2375 level amid weakness in dollar and decline in US treasury yields. Dollar and Yields are moving south as recent data showed US economy is slowing down bit by bit, raising hopes that US Federal Reserve may start cutting rates by September. Data showed manufacturing weakened as new goods orders dropped by the most in nearly 2 years, while a measure of input inflation fell back from the highest since mid-2022. Moreover, US Jolts job opening is likely to show that labor market conditions are gradually easing. Spot gold prices may rise further towards \$2375 level as long as it stays above \$2325 level
- MCX Gold Aug prices is likely to rise further towards 72,700 level as long as it stays above 71,700 level. A break above 72,700 level prices may rise further towards 73,200 level.
- MCX Silver July is expected to follow gold and rise further towards 93,500 level as long as it stays above 91,300 level

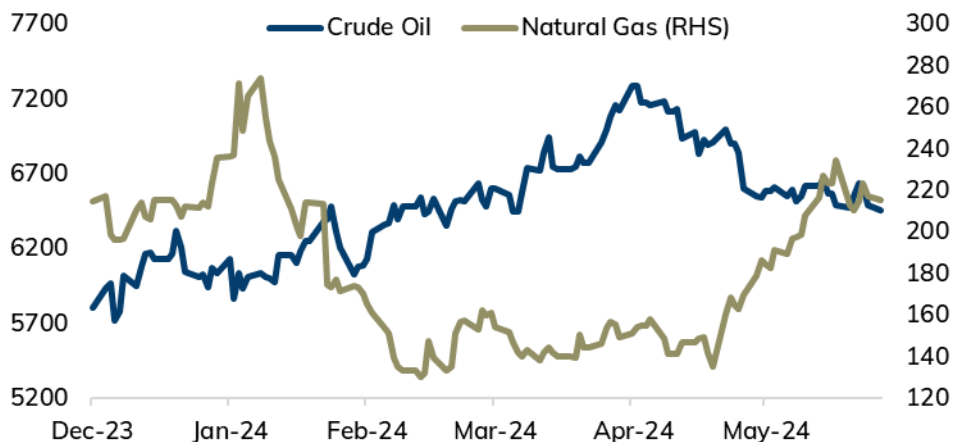
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with the positive bias amid weakness in dollar and optimistic global markets. Further, prices may move up as upbeat economic data from China may continue to support. Additionally, prices may rally on supply risk as Taseko Mine suspended operations at its Gibraltar mine after workers called a strike over the weekend. Moreover, weaker than expected economic data from US, cemented expectations that Federal Reserve would cut interest rates later this year
- MCX Copper is expected to rise further towards 889 level (10-Day EMA) as long as it stays above 870 level. A break above 889 level prices may rally further towards 896 level
- Aluminum is expected to move north towards 242.5 level (10-Day EMA) as long as it stays above 238 level. A break above 242.50 level prices may rally further till 245 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to extend its previous session losses and slip further towards \$73 on worries over supply rising later in 2024 and on signs of weakening demand growth. OPEC+ agreed to extend most of their oil output cuts into 2025 but left room for voluntary cuts from eight members to be gradually unwound from October onward. Meanwhile, US efforts to replenish the country's Strategic Petroleum Reserve could provide some support to oil prices. US is buying another 3 million barrels for the SPR at an average price of \$77.69 a barrel. NYMEX Crude oil is likely to slip further towards \$73 as long as it trades below \$75 level
- MCX Crude oil June is likely to slip further towards 6050 level as long as it stays below 6300 level
- MCX Natural gas June is expected to rise towards 233 level as long as it stays above 218 level (10-Day EMA). A break above 233 level prices may rally further towards 237 levels

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70748	71239	71669	72160	72590
Silver	89047	90540	91485	92978	93923
Copper	870.1	878.0	882.5	890.5	895.0
Aluminium	237.3	239.7	241.3	243.7	245.3
Zinc	258.8	260.8	263.5	265.5	268.2
Lead	191.0	191.7	192.3	193.0	193.7
Crude Oil	5992	6086	6264	6358	6536
Nat Gas	210	218	225	233	240

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	82.77	82.98	83.22	83.43	83.67
US\$INR (July)	82.89	83.07	83.30	83.49	83.71
EURINR (June)	90.15	90.21	90.28	90.34	90.41
EURINR (July)	90.33	90.37	90.43	90.47	90.53
GBPINR (June)	105.27	105.50	105.85	106.08	106.43
GBPINR (July)	105.54	105.68	105.93	106.07	106.32
JPYINR (June)	53.14	53.26	53.32	53.44	53.50
JPYINR (July)	53.80	53.80	53.80	53.80	53.80

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.14	104.67	-0.51%
US\$INR	83.15	83.47	-0.38%
EURUSD	1.0904	1.0848	0.52%
EURINR	90.09	90.53	-0.48%
GBPUSD	1.2808	1.2742	0.52%
GBPINR	105.63	106.21	-0.54%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.944	6.979	-0.01
US	4.388	4.499	-0.02
Germany	2.580	2.664	-0.03
UK	4.221	4.318	-0.02
Japan	1.069	1.070	0.00

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
5/30/2024	8:30 PM	-4.2M	-1.6M
5/22/2024	8:00 PM	1.8M	-2.4M
5/15/2024	8:00 PM	-2.5M	-0.4M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	116000	-475	-0.41%
Aluminium	1113150	-3500	-0.31%
Zinc	255925	-1100	-0.43%
Lead	183650	-1750	-0.94%
Nickel	83724	-6	-0.01%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 03, 2024						
7:15 AM	China	Caixin Manufacturing PMI	51.70	51.60	51.40	Medium
1:30 PM	Europe	Final Manufacturing PMI	47.30	51.30	51.30	Medium
2:00 PM	UK	Final Manufacturing PMI	51.20	51.30	51.30	Medium
7:15 PM	US	Final Manufacturing PMI	51.30	50.90	50.90	High
7:30 PM	US	ISM Manufacturing PMI	48.70	49.80	49.20	High
Tuesday, June 04, 2024						
1:25 PM	Europe	German Unemployment Change	-	7k	10k	Medium
7:30 PM	US	JOLTS Job Openings	-	8.4M	8.49M	High
Wednesday, June 05, 2024						
1:30 PM	Europe	Final Services PMI	-	53.30	53.30	Medium
7:30 PM	UK	Final Services PMI	-	52.90	52.90	Medium
5:45 PM	US	ADP Non-Farm Employment Change	-	175k	192k	High
7:30 PM	US	ISM Services PMI	-	51.00	49.40	High
8:00 PM	US	Crude Oil Inventories	-		(-4.2)M	Medium
Thursday, June 06, 2024						
2:00 PM	UK	Construction PMI	-	52.50	53.00	Medium
5:45 PM	Europe	Main Refinancing Rate	-	4.25%	4.50%	High
6:00 PM	US	Unemployment Claims	-	215k	219k	Medium
6:15 PM	Europe	ECB Press Conference	-	-	-	High
8:00 PM	US	Natural Gas Storage	-	-	78B	Medium
Friday, June 07, 2024						
Tentative	China	Trade Balance	-		72.4B	Medium
10:00 AM	India	RBI Interest Rate Decision	-	6.5%	6.5%	High
11:30 AM	Europe	German Industrial Production m/m	-	0.1%	-0.4%	Medium
2:30 PM	Europe	Revised GDP q/q	-	0.3%	0.3%	Medium
6:00 PM	US	Average Hourly Earnings m/m	-	0.3%	0.2%	High
6:00 PM	US	Non-Farm Employment Change	-	185k	175k	High
6:00 PM	US	Unemployment Rate	-	3.9%	3.9%	High



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