

September 25, 2024

# Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	October	Buy	5920-5930	6100	5840	Intraday

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## News and Developments

- Spot gold prices hit fresh highs on Tuesday amid weakness in the dollar and decline in US treasury yields. Weaker than expected US CB consumer confidence numbers has increased the bets of another 50 bps interest rate cut in November. Further, latest measures from China to support the economy also pushed silver prices higher. Moreover dovish comments from BOJ Governor Ueda has strengthened the bullions as he emphasized to hold rates steady.
- Dollar index remained under pressure amid weaker than expected economic numbers from US. CB consumer confidence hit its lowest since May 2024 to 98.70. Meanwhile, hawkish comments from Fed member Bowman limited its downside.
- US treasury yields traded lower yesterday. 10-year US treasury yields settled at 3.74% and 2-year yields settled at 3.55%.
- NYMEX crude oil prices traded higher amid weakness in the dollar and fresh stimulus measures from China to support the economic growth. Pan Gongsheng, governor of the PBOC said central bank will reduce the seven-day reverse repurchase rate by 20 bp to 1.50% from 1.70% and the reserve requirement ratio for large banks by 50 bp to 9.50% from 10.00%.
- Base metals prices hit its 2-month highs on Tuesday after top consumer China unveiled a list of easing measures to support the economy. Apart from lowering the rates and 50 bps cut in reserve requirement ratio, it will also reduced the minimum down payment ratio to 15% for second-home buyers from 25%.
- NYMEX natural gas eased from its 12-week highs as the tropical storm Helen forecast to miss Gulf platforms, sparing most natural gas production hubs.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	75003	0.95%	2657.10	1.08%
Silver	92393	3.54%	32.10	4.57%
Copper	836.5	1.91%	9796.00	2.59%
Aluminium	235.5	2.46%	2556.00	2.47%
Zinc	275.0	3.23%	3009.50	4.32%
Lead	183.7	0.82%	2085.00	1.34%
WTI Crude Oil	5983	1.44%	71.56	1.69%
US Nat Gas	234.1	-1.51%	2.55	-2.37%

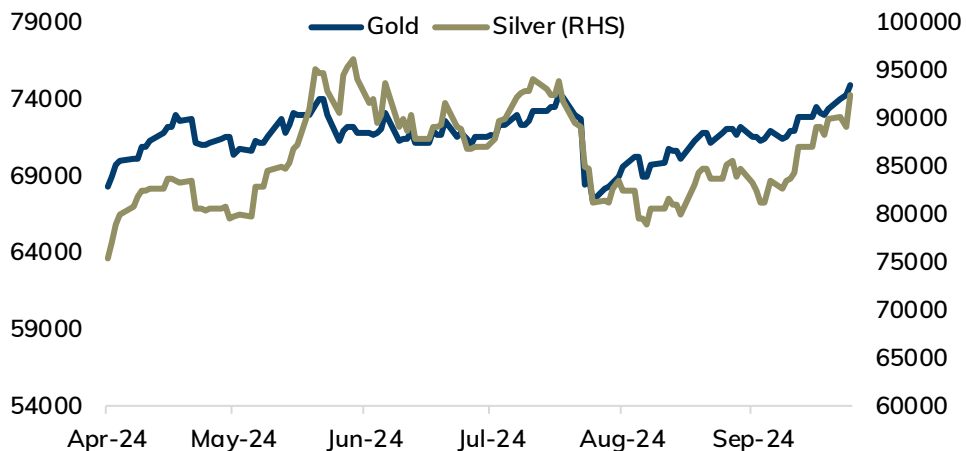
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th September)	83.69	0.15%	2263728	-73173	290205	-155386
EURINR (26th September)	93.13	0.20%	25720	-8018	12678	3805
GBPINR (26th September)	111.83	0.62%	45622	-1603	12021	8749

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	October	Buy	5850-5860	6000	5780	Not initiated

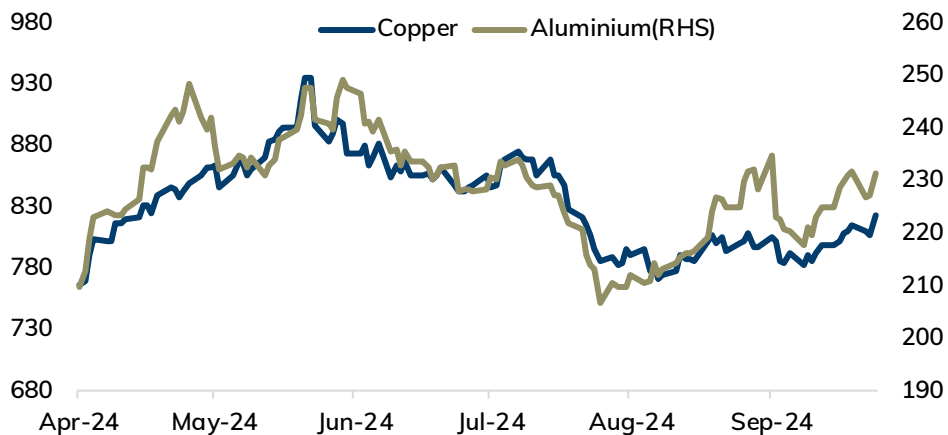
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to trade with a bullish bias amid growing prospects of lower interest rates from major central banks. ECB in its latest commentary has emphasized to lower the rates till Mid of 2025 to support growth. Further, weaker set of economic numbers from US has increased the odds of 50 bps interest rate cut by the Fed in November which would also provide support to the bullions. Persistence increasing 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. Closer of OI in ATM and OTM call strikes indicates higher prices.
- MCX Gold Oct is expected to hold the key support at 74400 and move higher towards 75,400. A move above 75,400 would open the doors towards 76,000.
- Spot silver is likely to move towards \$32.50. Above \$32.50 it would test \$33.20. MCX Silver December is expected to rise towards 94,500.

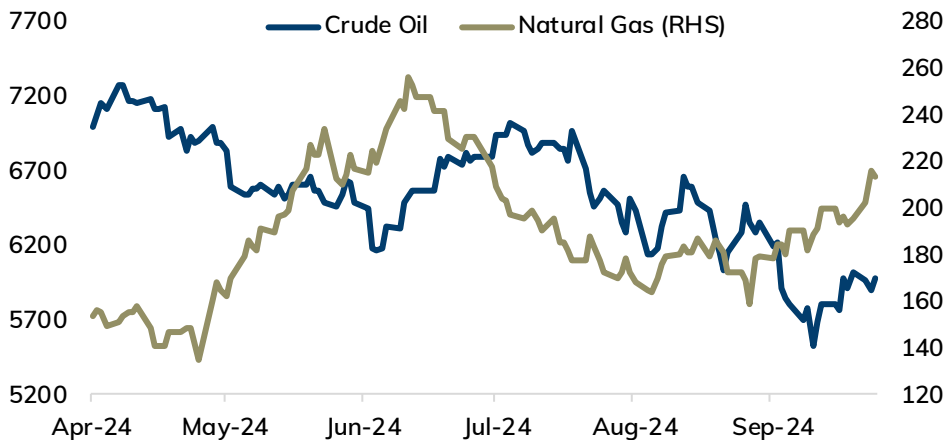
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade higher amid improved risk sentiments and weak dollar. Further, China announced a series of measures to boost economic growth and shore up its struggling property market. Central bank governor Pan Gongsheng said policymakers would help banks boost lending to consumers, cut the key short-term interest rate and lower mortgage rates. Furthermore, growing bets of loose monetary policy from major central banks would also improve metal demand.
- MCX Copper October is expected to hold the immediate support at 826 and move higher towards 842.
- MCX Aluminium is expected to rise towards 238, as long as it trades above 233. Prices are likely to get support from the uncertainty around alumina supply in China, as output issues from Guinea and Australia persists.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to hold the support of \$70 and rise towards \$73 amid improved risk sentiments and supply concerns. A wider Middle East conflicts is likely to provide support to prices. Further, falling US crude and fuel inventories would also support the energy prices. API data showed last week crude oil inventories decline by 4.34 million barrels and gasoline stocks fell by 3.44 million barrels. Prices, may find strength amid growing prospects of more interest rate cut by major central banks to support the growth in the economy. Meanwhile, EIA's weekly inventory numbers would be eyed by the investors.
- MCX Crude oil October is likely to move towards 6100, as long as it holds above 5850. Above 6100, it would open the doors towards 6200.
- MCX Natural gas October is expected face the hurdle near 245 and weaken towards 230 as the fear of supply disruption recedes.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	74102	74552	74801	75251	75500
Silver	87891	90142	91446	93697	95001
Copper	822.7	829.6	833.4	840.3	844.1
Aluminium	228.9	232.2	234.1	237.4	239.4
Zinc	264.8	269.9	272.6	277.7	280.5
Lead	181.5	182.6	183.9	185.0	186.2
Crude Oil	5855	5919	5994	6058	6133
Nat Gas	227	231	237	240	246

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	83.50	83.59	83.65	83.74	83.80
US\$INR (Oct)	83.59	83.71	83.78	83.89	83.96
EURINR (Sep)	92.54	92.84	93.12	93.41	93.69
EURINR (Oct)	92.74	92.98	93.15	93.39	93.57
GBPINR (Sep)	111.19	111.51	111.73	112.05	112.27
GBPINR (Oct)	111.05	111.45	111.67	112.07	112.29
JPYINR (Sep)	57.55	57.84	57.99	58.29	58.44
JPYINR (Oct)	58.04	58.25	58.37	58.58	58.70

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.47	100.85	-0.38%
US\$INR	83.67	83.55	0.14%
EURUSD	1.1180	1.1111	0.62%
EURINR	93.17	92.80	0.40%
GBPUSD	1.3413	1.3347	0.49%
GBPINR	111.92	111.02	0.81%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.760	6.768	-0.01
US	3.728	3.749	-0.02
Germany	2.148	2.156	-0.01
UK	3.941	3.923	0.02
Japan	0.816	0.850	-0.03

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
9/18/2024	8:00 PM	-1.6M	-0.2M
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

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	301850	150	0.05%
Aluminium	803025	-2500	-0.31%
Zinc	256950	-1100	-0.43%
Lead	202950	-1025	-0.50%
Nickel	124140	0	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	85.4	86.1	86.6	Medium
6:30 PM	US	S&P/CS Composite-20 HPI y/y	5.90%	5.90%	6.50%	Medium
7:30 PM	US	CB Consumer Confidence	98.7	103.5	103.3	High
7:30 PM	US	Richmond Manufacturing Index	-21	-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



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