

July 5, 2024

# Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	July	Buy	6950-6960	7100	6870	Intraday

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## News and Developments

- Gold prices traded near its 2-week highs on Thursday in a light trading day as US markets closed for the Independence day holiday. Softness in the dollar after the recent weaker job numbers supported the bullions to hold firm, as the probability of September rate cut jumped to 72%
- Spot silver followed the path of the yellow metal and remained silent amid US bank holiday.
- Dollar index traded lower on weak economic number on Wednesday, including weak service PMI number and ADP employment data indicating slowing economy.
- NYMEX Crude oil prices held steady near the \$83 mark amid improved demand. Sharp drop in weekly crude and gasoline inventory supported the oil prices to hold its gains. Oil stocks fell by 12.2 million barrels to 448.5M barrels, while gasoline inventories dropped by 2.2M barrels. Meanwhile, softness in the dollar and growing bets of September rate cut has supported the oil prices to edge higher in thin volume trading day.
- Copper prices traded higher amid softness in the dollar and improved risk appetite as recent economic numbers from US increased the probability of rate cut in September. Meanwhile, gain in LME inventory levels checked it upside.
- Natural Gas prices remained near its 7-week lows amid increased US production and higher inventories.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72367	-0.05%	2356.69	0.02%
Silver	90030	0.15%	30.40	-0.34%
Copper	868.2	0.56%	9882.50	0.15%
Aluminium	232.9	-0.21%	2522.50	-1.00%
Zinc	274.7	0.68%	2986.50	-0.15%
Lead	189.6	0.13%	2226.50	0.20%
WTI Crude Oil	7024	1.05%	83.88	1.29%
US Nat Gas	197.9	-2.75%	2.42	-0.70%

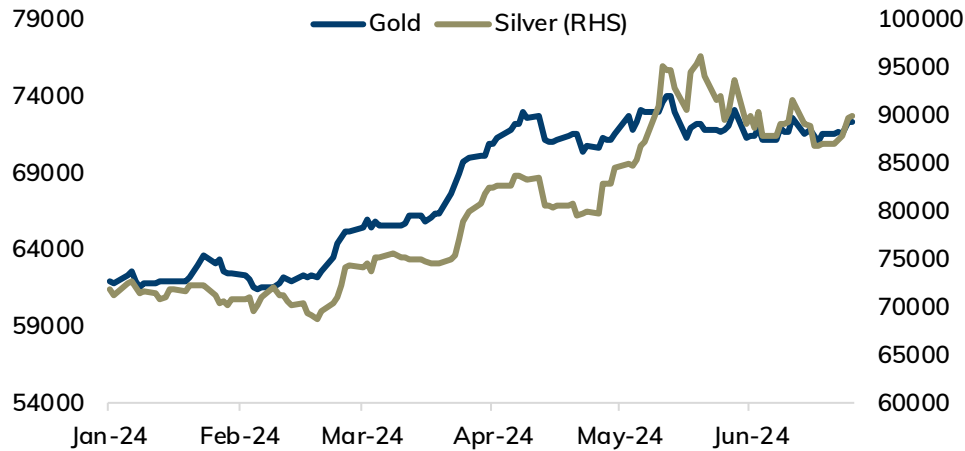
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th July)	83.56	-0.02%	2492125	10713	84688	-83904
EURINR (29th July)	90.22	0.29%	15884	1532	3393	-135
GBPINR (29th July)	106.44	0.37%	18821	6393	8646	-956

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	August	Buy	72100-72125	72750	71700	Not initiated

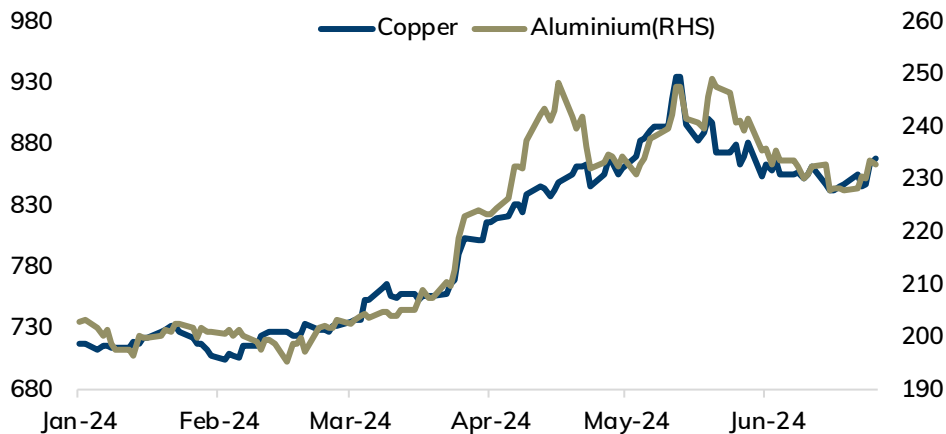
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected to hold the key support at \$2335 and move towards \$2370 amid softness in the dollar and decline in global treasury yields. Forecast for less number of jobs getting added in economy would provide support to the bullions. Non-farm payrolls data expected to show an increase of 190,000 jobs in June after a rise of 272,000 in May. The probability of rate cut in September has went up to 72% after Wednesday's weak economic numbers.
- MCX Gold Aug is expected to hold the key support near 72,000 (5-DEMA) and move back towards 73,000. The bullish cross over of 5 and 10 day EMA with strong momentum (RSI at 55) would help the bulls to take control.
- MCX Silver September is expected to hold the support near 5 day EMA 91,000 and rise towards 92,650. Above 92,650 it would open the doors towards 93,400.

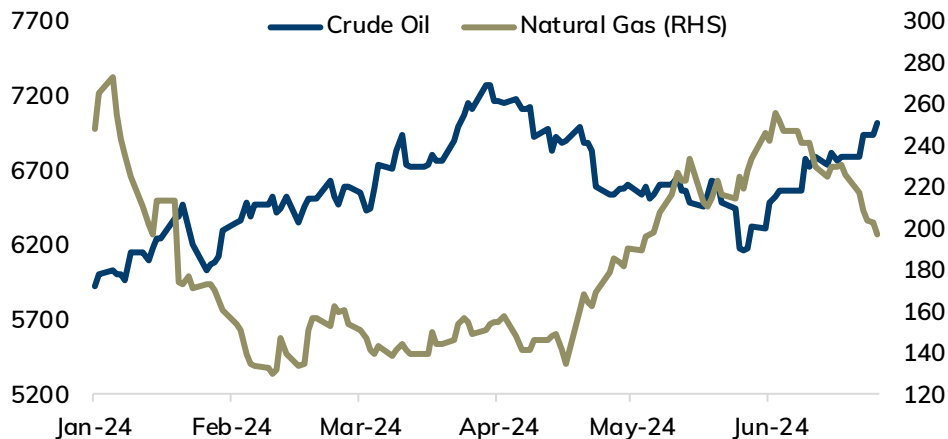
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to extend its rebound amid softness in the US dollar and increasing prospects of September rate cut. Further signs of improving demand from the top metal consumer China would help the metal to hold its gains. Moreover, hopes of fresh round of stimulus at China's third Plenum policy meeting later this month would support the metals to hold its gains. Meanwhile, expanding global inventories would keep a check on the upside in the metal.
- MCX Copper July is expected to hold the support near 5 day EMA at 858 and move towards 872. Above 872, it would rally towards 878 mark.
- Aluminum is expected to rise towards 235, as long as it holds above the 5-day EMA at 231. However, rising inventory levels in LME would check its upside.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to find support near the \$82 mark and move towards \$85 level amid improved risk appetite and rise in demand over the summer driving season in US. Further, increasing geopolitical tension in the Middle east would hurt global supplies. Additionally, increasing bets of rate cut in Septembers would strengthen its bullish outlook. While, higher OI concentration at 85 Call strike indicates a stiff resistance, which could act as supply zone for price.
- MCX Crude oil July is likely to rise towards 7100, as long as it holds above the 5 day EMA at 6880. Bullish crossover 10 and 20 day EMA would support the trend.
- MCX Natural gas July is likely to face the hurdle near 207 ( 5 DEMA) and move lower towards 192.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	72115	72241	72363	72489	72611
Silver	89276	89653	89879	90256	90482
Copper	857.2	862.7	866.2	871.7	875.3
Aluminium	231.4	232.2	233.1	233.9	234.8
Zinc	271.5	273.1	274.4	276.0	277.3
Lead	188.5	189.1	189.5	190.0	190.4
Crude Oil	6901	6962	6995	7056	7089
Nat Gas	191	194	199	203	208

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (July)	83.48	83.52	83.57	83.61	83.65
US\$INR (Aug)	83.55	83.59	83.65	83.69	83.74
EURINR (July)	89.93	90.07	90.15	90.29	90.37
EURINR (Aug)	90.12	90.23	90.29	90.40	90.46
GBPINR (July)	106.25	106.35	106.41	106.51	106.57
GBPINR (Aug)	106.13	106.27	106.35	106.50	106.58
JPYINR (July)	51.59	51.79	51.92	52.12	52.25
JPYINR (Aug)	52.23	52.27	52.28	52.32	52.33

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.13	105.40	-0.26%
US\$INR	83.50	83.53	-0.04%
EURUSD	1.0812	1.0786	0.24%
EURINR	90.16	89.83	0.36%
GBPUSD	1.2760	1.2742	0.14%
GBPINR	106.46	106.05	0.38%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.999	6.998	0.00
US	4.359	4.359	0.00
Germany	2.608	2.585	0.01
UK	4.197	4.172	0.01
Japan	1.081	1.101	-0.02

## 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	186275	-175	-0.09%
Aluminium	1004825	-5000	-0.50%
Zinc	258700	-325	-0.13%
Lead	223950	1075	0.48%
Nickel	97050	1056	1.10%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, July 01, 2024						
7:15 AM	China	Caixin Manufacturing PMI	51.8	51.5	51.7	Medium
All Day	Europe	German Prelim CPI m/m	0.10%	0.20%	0.10%	High
7:30 PM	US	ISM Manufacturing PMI	48.5	49.2	48.7	High
Tuesday, July 02, 2024						
2:30 PM	Europe	CPI Flash Estimate y/y	2.50%	2.50%	2.60%	High
7:00 PM	US	Fed Chair Powell Speaks	-	-	-	High
7:30 PM	US	JOLTS Job Openings	8.14M	7.86M	8.06M	High
Wednesday, July 03, 2024						
7:15 AM	China	Caixin Services PMI	51.2	53.4	54	Medium
5:45 PM	US	ADP Non-Farm Employment Change	150K	156K	152K	High
6:00 PM	US	Unemployment Claims	238K	235K	233K	High
7:30 PM	US	ISM Services PMI	48.8	52.5	53.8	High
8:00 PM	US	Crude Oil Inventories	-12.2M	-0.4M	3.6M	Medium
11:30 PM	US	FOMC Meeting Minutes	-	-	-	High
Thursday, July 04, 2024						
11:30 AM	Europe	German Factory Orders m/m	-1.60%	0.50%	-0.20%	Medium
All Day	UK	Parliamentary Elections	-	-	-	High
Friday, July 05, 2024						
11:30 AM	Europe	German Industrial Production m/m	-	0.20%	-0.10%	Medium
6:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.40%	High
6:00 PM	US	Non-Farm Employment Change	-	189K	272K	High
6:00 PM	US	Unemployment Rate	-	4%	4%	High



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