

August 12, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	August	Buy	179-180	190	175	Intraday

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News and Developments

- Spot gold prices rose on Friday gaining 0.18% amid weakness in dollar and softening of US treasury yields. Further, prices rose on safe haven demand due to escalating geopolitical tension in Middle East
- Dollar ended on negative note on Friday losing 0.08% amid weakness in US treasury yields and dovish comments from Boston Fed President Collins. She said Fed rate cuts would be seen “soon” if inflation keeps falling
- US Treasury yields fell on Friday after a volatile week driven by concerns about the US economic outlook. Yield on benchmark US 10-year treasury note slipped to 3.944% while 2-year treasury yield, which typically moves in step with interest rate expectations increase to 4.059%
- Crude oil prices settled higher on Friday gaining 1.17% amid weakness in dollar. Further, signals from Fed policymakers that they could cut interest rates as early as September eased demand concerns. Moreover, prices rose on concerns over widening Middle East conflict
- Copper prices ended on positive note gaining 0.1% on improved global market sentiments. Further, recent US job data eased fears of a growth slowdown in the country. Moreover, falling inventories in top consumer China reinforced positive sentiment. Copper inventories at ShFE warehouses have dropped 15% over the past 2 months to 286,305
- Natural gas prices closed moderately higher on Friday amid positive carryover from Thursday when the EIA reported a smaller than expected build in weekly gas inventories

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	69895	0.27%	2431.32	0.16%
Silver	80543	-0.09%	27.46	-0.31%
Copper	776.6	0.32%	8866.50	0.82%
Aluminium	214.2	0.54%	2301.50	1.21%
Zinc	257.7	2.51%	2736.50	3.42%
Lead	186.9	1.52%	2038.00	3.72%
WTI Crude Oil	6444	0.34%	76.84	0.85%
US Nat Gas	180.5	0.50%	2.14	0.75%

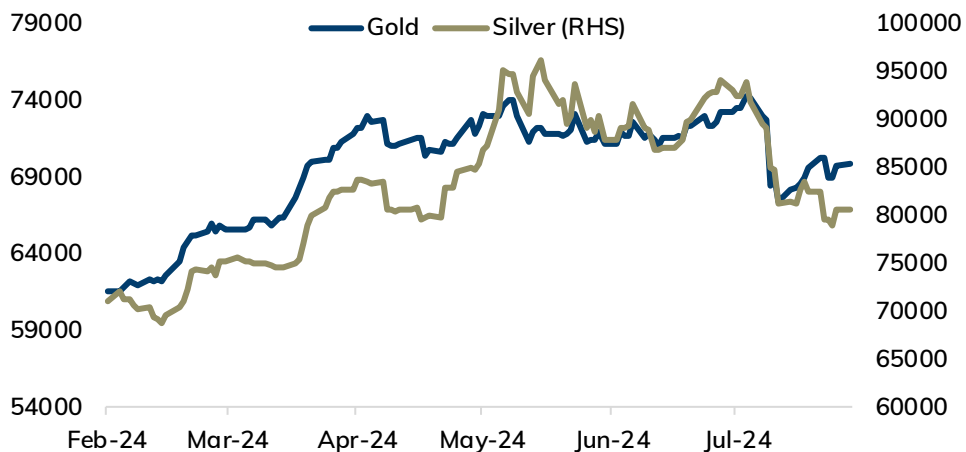
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th August)	84.00	-0.01%	3134526	-24062	244879	-261959
EURINR (28th August)	91.73	-0.03%	23200	-71	657	-1420
GBPINR (28th August)	107.05	0.48%	19775	1676	3667	-2562

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	August	Buy	772-773	781	768	Not Initiated

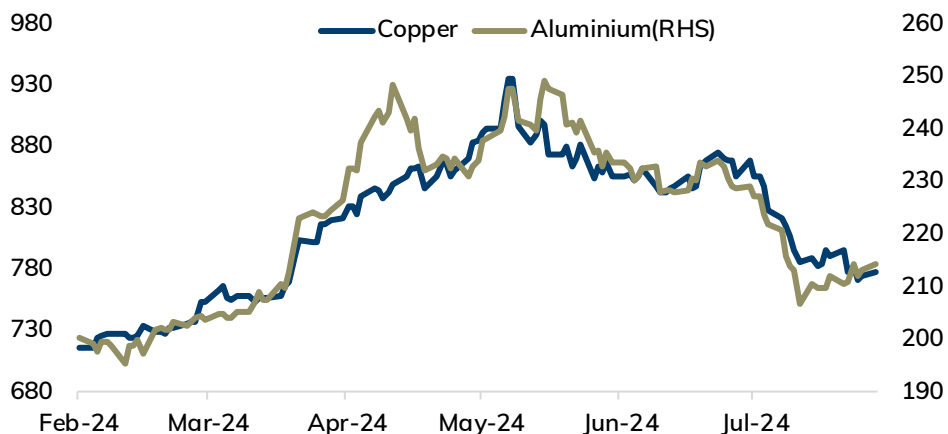
MCX Gold vs. Silver



Bullion Outlook

- Intl gold is expected to rise further towards \$2450 level amid weakness in dollar and softening of US treasury yields across curve. Yields and dollar are moving south as US Fed policymakers are increasingly confident that inflation is cooling enough to allow interest rate cuts ahead. As per CME FedWatch tool markets see a 100% chance of a US cut rate in September meeting. Moreover prices may rally as bullion is considered a hedge against geopolitical and economic uncertainties. Meanwhile, higher OI concentration at call strike 2450 would act as stiff resistance, while on put side, the 2400 strike holds maximum open interest, providing support to the prices. Intl gold is expected to rise further towards \$2450 level as long as it stays above \$2408 level (20-Day EMA)
- MCX Gold Oct is expected to rise further towards 70,300 level as long as it stays above 69,400 level
- MCX Silver September is expected to rise further towards 81,500 (10-Day EMA) level as long as it stays above 79,400 level

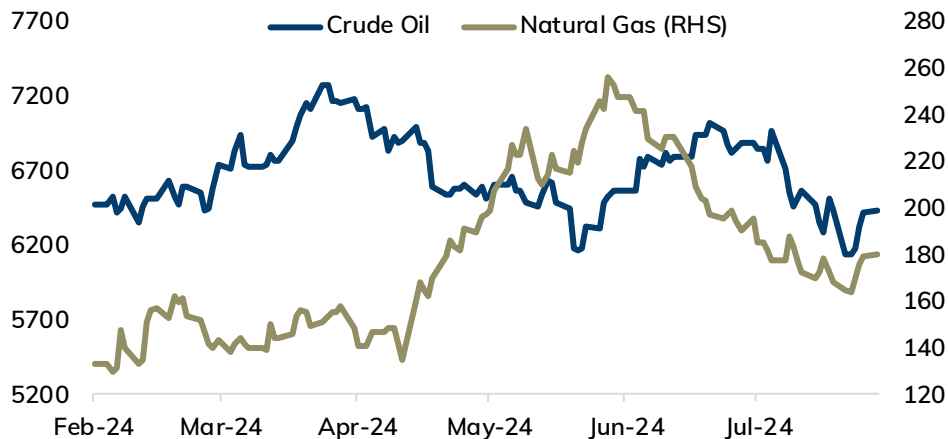
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with positive bias amid optimistic global market sentiments and growing confidence that US Federal Reserve would lower interest rates in September. As per CME FedWatch tool traders are currently pricing in a 48% probability of a 50 basis point cut, and 52% odds of a 25 basis point reduction. Additionally, China's Yangshan premium, an indicator of import demand, rose to \$63 per ton Friday, indicating recovery in demand. Meanwhile, traders will await data on China's new yuan loans and total social financing, as it is viewed as an indicator of future industrial metals demand
- MCX Copper Aug is expected to rise back towards 787 level (10-Day EMA) as long as it stays above 770 level. A break above 787 level prices may rise further towards 802 level (20-day EMA)
- Aluminum is expected move north towards 217 level as long as it stays above 213 level. A break above 217 level prices may rise further towards 220 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$78.0 level on rise in risk appetite in the global markets, weakness in dollar and supply concerns. Further, prices may rally as some of the US central bankers are of view that inflation appeared to be cooling enough for Fed to start cutting rates as soon as next month. Moreover, escalating tension in Middle East and eastern Europe would support prices. Further, higher OI concentration at put strike \$75 would act as strong support for the prices, while on call side maximum OI at strike \$80 would act as strong resistance. NYMEX Crude oil is likely to rise towards \$78 level as long as it trades above \$75.80 level
- MCX Crude oil is likely to move north towards 6550 level as long as it stays above 6347 level (200-Day EMA)
- MCX Natural gas Aug is likely to rise towards 192 level as long as it stays above 175 level. A break above 192 would open doors for 200 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	69262	69578	69787	70103	70312
Silver	79612	80078	80519	80985	81426
Copper	768.8	772.7	779.0	782.9	789.2
Aluminium	212.1	213.2	214.8	215.9	217.5
Zinc	250.8	254.3	256.5	260.0	262.2
Lead	183.6	185.2	186.2	187.8	188.8
Crude Oil	6334	6389	6431	6486	6528
Nat Gas	174	177	181	184	188

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	83.89	83.94	83.97	84.02	84.05
US\$INR (Sep)	83.97	84.02	84.05	84.10	84.13
EURINR (Aug)	91.64	91.69	91.74	91.79	91.84
EURINR (Sep)	91.72	91.74	91.77	91.79	91.82
GBPINR (Aug)	106.77	106.91	107.02	107.16	107.26
GBPINR (Sep)	106.87	107.00	107.07	107.20	107.28
JPYINR (Aug)	57.13	57.21	57.28	57.37	57.44
JPYINR (Sep)	57.51	57.56	57.65	57.70	57.79

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	103.14	103.21	-0.07%
US\$INR	83.96	83.96	-0.01%
EURUSD	1.0917	1.0919	-0.02%
EURINR	91.68	91.75	-0.08%
GBPUSD	1.2761	1.2748	0.10%
GBPINR	107.13	106.40	0.69%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.881	6.878	0.00
US	3.940	3.988	-0.01
Germany	2.225	2.268	-0.02
UK	3.945	3.978	-0.01
Japan	0.853	0.850	0.00

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
8/7/2024	8:00 PM	-3.7M	-1.6M
7/31/2024	8:00 PM	-3.4M	-1.6M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	296400	1975	0.67%
Aluminium	907450	-3500	-0.38%
Zinc	239925	-2100	-0.87%
Lead	212850	-975	-0.46%
Nickel	112404	792	0.71%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, August 12, 2024						
Tentative	China	New Loans		1280B	2130B	Medium
5:30 PM	India	Inflation Rate y/y		5.4%	5.9%	High
11:30 PM	US	Federal Budget Balance		(-254.3)B	(-66.0)B	Medium
Tuesday, August 13, 2024						
11:30 AM	UK	Claimant Count Change		14.5K	32.3K	High
11:30 AM	UK	Average Earnings Index 3m/y		4.60%	5.70%	Medium
2:30 PM	Europe	German ZEW Economic Sentiment		30.60	41.80	Medium
6:00 PM	US	PPI m/m		0.20%	0.20%	Medium
Wednesday, August 14, 2024						
11:30 AM	UK	CPI y/y		2.30%	2.00%	High
2:30 PM	Europe	Flash GDP q/q		0.30%	0.30%	Medium
6:00 PM	US	CPI y/y		3.00%	3.00%	High
8:00 PM	US	Crude Oil Inventories			(-3.7)M	High
Thursday, August 15, 2024						
7:00 AM	China	Industrial Production y/y		5.30%	5.30%	Medium
7:00 AM	China	Retail Sales		2.60%	2.00%	Medium
11:30 AM	UK	GDP m/m		0.10%	0.40%	High
6:00 PM	US	Retail Sales m/m		0.40%	0.00%	High
6:00 PM	US	Unemployment Claims		235k	233k	High
6:00 PM	US	Empire State Manufacturing Index		-5.90	-6.60	Medium
6:45 PM	US	Industrial Production m/m		-0.20%	0.60%	Medium
8:00 PM	US	Natural Gas Storage		-	74B	Medium
Friday, August 16, 2024						
11:30 AM	UK	Retail Sales m/m		0.60%	-1.20%	High
6:00 PM	US	Building Permits		1.43M	1.45M	Medium
7:30 PM	US	Prelim UoM Consumer Sentiment		66.7	66.4	Medium
7:30 PM	US	Prelim UoM Inflation Expectations		-	2.9%	Medium



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