

September 20, 2024

# Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	October	Buy	73150-73200	73750	72800	Intraday

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## News and Developments

- Spot gold prices traded higher after the US Federal Reserve cut the rates for the first time since 2020. Soft US dollar and decline in 2-year US treasury yields supported the bullions to settle near its day highs. Also, fund buying of gold supported prices as long gold positions in ETFs rose to a 7 month high. Meanwhile, better than expected weekly jobless claims data checked its upside.
- Dollar index pared its earlier gains despite better than expected US weekly jobless claims data which fell to a 4-month low. Dollar fell after Pound surged to 2½ year high as BOE kept interest rate unchanged
- US treasury yields traded mixed after the weekly job report. 10-year US treasury yields inched up, where as 2-year yields settled lower.
- US weekly initial unemployment claims fell 12,000 to a 4-month low of 219,000, showing a stronger labor market than expectations of 230,000. While, US existing home sales fell 2.5% to a 10-month low of 3.86M, weaker than expectations of 3.90M.
- NYMEX crude oil prices regained its strength amid improved risk sentiments after the Fed's aggressive 50 bps interest rate cut. Further, resurgence of tension in the Middle East raised supply concerns in the region. Moreover, supply disruption from Libya also countered the demand concerns from China and pushed prices above the \$70 mark.
- Base metals traded higher after the surprise rate cut of 50 bps by the US Federal reserve. Further, improved risk sentiments and supply issues from Zambia pushed copper prices to hit its highest level in 2-months.
- NYMEX natural gas recovered its earlier losses despite a larger than expected build in storage. Last week, inventories rose by 58 bcf against forecast of 56 bcf.

Source: Bloomberg, Reuters, ICICI Direct Research

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	73438	0.52%	2586.74	1.09%
Silver	89968	1.89%	30.79	2.35%
Copper	814.4	0.67%	9515.00	1.22%
Aluminium	231.8	0.43%	2539.50	0.12%
Zinc	269.6	1.13%	2929.50	1.51%
Lead	185.3	0.73%	2074.50	1.82%
WTI Crude Oil	5963	2.11%	71.95	1.47%
US Nat Gas	195.9	1.35%	2.35	2.80%

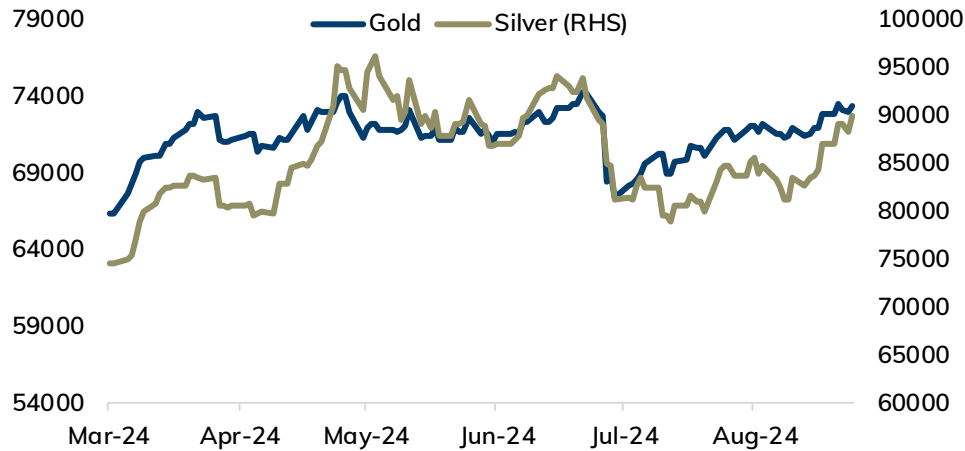
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th September)	83.69	-0.14%	2520472	-13627	138239	-41821
EURINR (26th September)	93.44	0.17%	37292	-2874	4295	2891
GBPINR (26th September)	111.08	0.40%	48538	264	3487	809

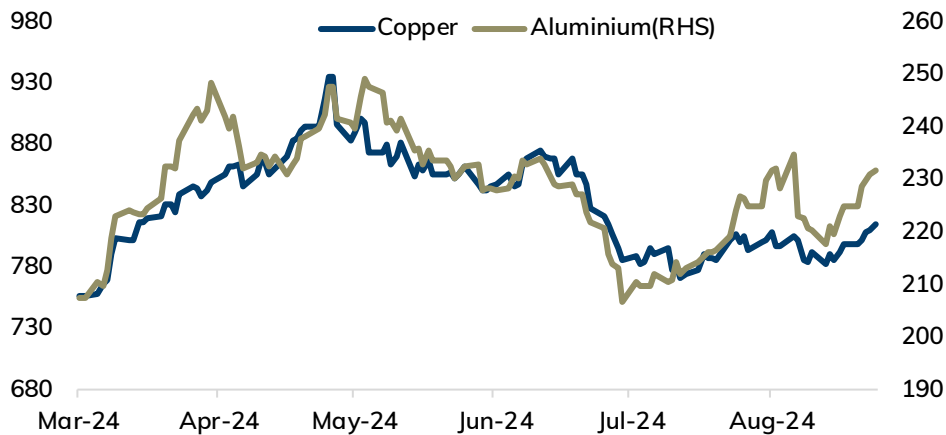
## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	October	Sell	5870-5880	5700	5960	Stop Loss Triggered

## MCX Gold vs. Silver



## MCX Copper vs. Aluminium



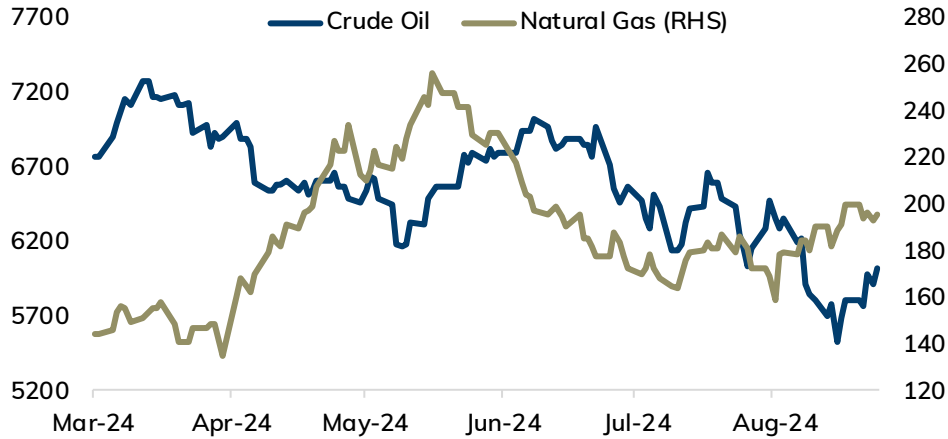
## Bullion Outlook

- Spot gold is likely to hold the support near \$2550 and move towards key hurdle at \$2600 amid softness in the dollar and safe haven buying in the metal. Downward revision to growth and forecast of rise in unemployment rate could provide support to the bullions. Further, resurgence of tension in the Middle East would increase bullish bids in the metal. Moreover, increasing ETF holdings which hit its highest in last 7-months would support prices to stay higher. Meanwhile, COMEX Gold has highest OI concentration at 2600 strike, which could act as strong resistance for now. A move above \$2600 would open the doors towards \$2630.
- MCX Gold Oct is expected to hold the key support at 72800 and move higher towards 74,000. Formation of a bullish engulfing pattern would help the prices to move higher.
- Spot silver is expected to hold the support near \$29.80 and move towards \$31.30. A move above \$31.30 would open the doors towards \$31.80. MCX Silver is expected to rise towards 90,500 as long as it holds above 88,200.

## Base Metal Outlook

- Copper prices are expected to hold its ground and trade higher amid improved risk sentiments and softness in the dollar. Further, increasing premiums of refined metals in China indicates pickup in demand. Moreover, depleting stocks in SHFE since July this year would support the red metal to trade higher. Additionally, lower short term rates by the PBOC could improve money supply and provide necessary push to the economy. On the other hand, higher inventory levels in LME and weaker manufacturing activity in US and China could limit its upside.
- MCX Copper September is expected to hold the support at 807 and move towards 820. A move above 820 would open the doors towards 825.
- MCX Aluminium is expected to hold above 229 and rise towards 234. Only a move below 229 it would turn weaker towards 227.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to rise towards the \$72 mark amid improved risk sentiments and depleting inventory levels in US. Latest data from EIA indicated oil stocks hit lowest in a year. Further, escalating tension in the Middle East would support prices to trade higher. Prices could also find support as the crack spread has reversed from multi month lows indicating demand improvement from refiners. Additionally, supply disruption from Libya and increasing demand hopes would push prices higher. On the upside higher OI concentration observed at \$75 call strike which would act as major resistance for price. Similarly \$70 would act as strong support for prices.
- MCX Crude oil October is likely to move towards 6000, as long as it holds above 5840. Above 6000, it would open the doors towards 6140.
- MCX Natural gas September is expected to rise towards 204, as long as it holds above 188. Forecast of warmer US temperature would improve demand and push prices higher.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	72446	72942	73281	73777	74116
Silver	87263	88615	89608	90960	91953
Copper	802.6	808.5	813.9	819.8	825.2
Aluminium	228.2	230.0	232.0	233.8	235.8
Zinc	265.2	267.4	268.9	271.1	272.6
Lead	183.1	184.2	185.1	186.2	187.0
Crude Oil	5792	5877	5937	6022	6082
Nat Gas	182	189	193	200	204

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	83.50	83.60	83.69	83.78	83.88
US\$INR (Oct)	83.60	83.70	83.81	83.91	84.03
EURINR (Sep)	92.78	93.11	93.33	93.66	93.88
EURINR (Oct)	93.07	93.25	93.42	93.60	93.78
GBPINR (Sep)	110.16	110.62	110.91	111.37	111.66
GBPINR (Oct)	110.23	110.65	110.92	111.34	111.60
JPYINR (Sep)	58.16	58.39	58.69	58.92	59.22
JPYINR (Oct)	58.39	58.60	58.92	59.13	59.45

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.61	100.60	0.02%
US\$INR	83.69	83.76	-0.08%
EURUSD	1.1162	1.1119	0.39%
EURINR	93.54	93.30	0.26%
GBPUSD	1.3284	1.3214	0.53%
GBPINR	111.16	110.73	0.38%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.757	6.781	-0.02
US	3.713	3.704	0.01
Germany	2.198	2.190	0.01
UK	3.891	3.847	0.04
Japan	0.851	0.829	0.02

## US Crude Stocks Change (Barrels)

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

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	304925	-325	-0.11%
Aluminium	813000	-500	-0.06%
Zinc	256800	4950	1.97%
Lead	203750	-800	-0.39%
Nickel	123924	198	0.16%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
<b>Monday, September 16, 2024</b>						
All Day	China	Bank Holiday	-	-	-	Medium
6:00 PM	US	Empire State Manufacturing Index	11.5	-4.1	-4.7	Medium
<b>Tuesday, September 17, 2024</b>						
All Day	China	Bank Holiday	-	-	-	Medium
2:30 PM	Europe	German ZEW Economic Sentiment	3.6	17.2	19.2	Medium
6:00 PM	US	Retail Sales m/m	0.10%	-0.20%	1.00%	High
6:45 PM	US	Industrial Production m/m	0.80%	0.10%	-0.60%	Medium
<b>Wednesday, September 18, 2024</b>						
11:30 AM	UK	CPI y/y	2.20%	2.20%	2.20%	High
6:00 PM	US	Building Permits	1.48M	1.41M	1.40M	Medium
8:00 PM	US	Crude Oil Inventories	-1.6M	-	0.8M	Medium
11:30 PM	US	Federal Funds Rate	5%	5.25%	5.50%	High
11:30 PM	US	FOMC Economic Projections	-	-	-	High
<b>Thursday, September 19, 2024</b>						
4:30 PM	UK	Official Bank Rate	5%	5%	5%	High
6:00 PM	US	Unemployment Claims	219K	232K	230K	High
6:00 PM	US	Philly Fed Manufacturing Index	1.7	-0.6	-7	Medium
7:30 PM	US	Existing Home Sales	3.86M	3.89M	3.95M	Medium
8:00 PM	US	Natural Gas Storage	58B	53B	40B	Medium
<b>Friday, September 20, 2024</b>						
6:30 AM	China	1-y Loan Prime Rate	-	3.35%	3.35%	Medium
6:30 AM	China	5-y Loan Prime Rate	-	3.85%	3.85%	Medium
Tentative	Japan	BOJ Policy Rate	-	<0.25%	<0.25%	High
11:30 AM	UK	Retail Sales m/m	-	0.40%	0.50%	High



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