

April 23, 2024

# Daily Currency & Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	May	Sell	71840-71850	71000	72300	Intraday

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## News and Developments

- Spot Gold prices tumbled on Monday amid ease in geopolitical concerns. Fading war risk premium after Iran downplayed the impact of Israel strike on Friday weighed on the bullions. Further, stronger dollar and diminishing prospects of rate cut in June forced the investors to book profits in the bullions. Long holdings in the ETFs fell to a 4-year low last Friday.
- Dollar index steadied above the 106 mark and US 10 year treasury yields held steady at 4.623 as most investors awaited key economic numbers from US this week. Improved US Chicago Fed national activity index data which hit 4 month high supported the dollar to hold firm.
- Crude oil prices recovered its losses and turned to positive territory on Monday after falling on easing fears of a wider Mideast conflict. The gains in oil prices were limited amid improved supplies from US and higher for longer interest rate outlook by the Federal Reserve.
- Copper prices also trimmed its earlier gains and edged lower amid strong dollar and profit booking. Traders trimmed their long bets as price hit its highest level in 2-years amid supply concerns and growing prospects of Chinese demand.
- Natural gas futures rose more than 1% on Monday, as an increase in export via Freeport LNG export plant and a drop in output outweighed lower demand forecasts for next week.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71197	-2.21%	2327.30	-2.70%
Silver	80579	-3.51%	27.20	-5.20%
Copper	844.3	-0.11%	9829.50	-0.47%
Aluminium	243.6	0.45%	2670.50	0.06%
Zinc	249.5	-0.48%	2832.00	-0.70%
Lead	188.7	-0.55%	2170.00	-2.19%
WTI Crude Oil	6834	-2.11%	82.85	-0.35%
US Nat Gas	148.5	1.16%	1.79	2.23%

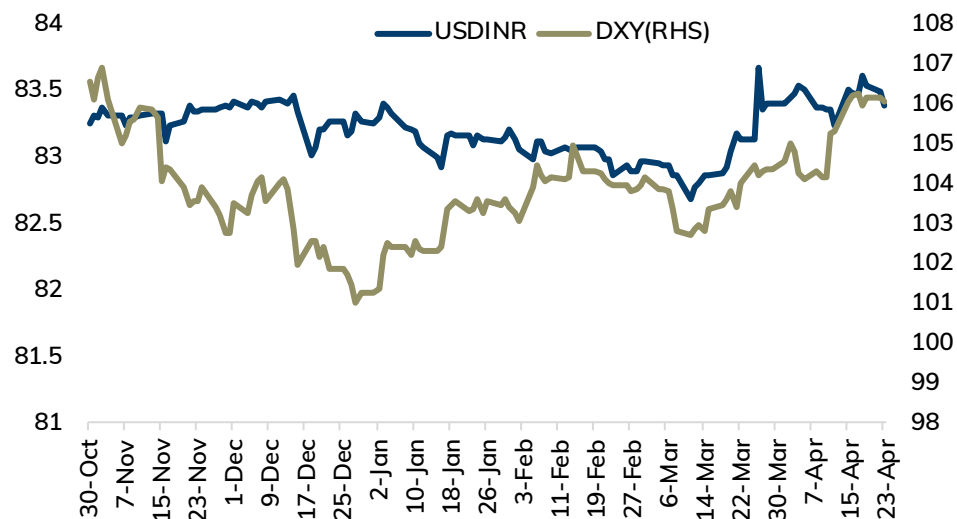
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.38	-0.12%	2972859	-84491	289788	-426726
EURINR (26th Apr)	88.90	-0.02%	31822	-2095	4326	885
GBPINR (26th Apr)	102.84	-1.01%	44012	3957	18335	4411

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	April	Buy	844-845	854	840	Exit At Cost

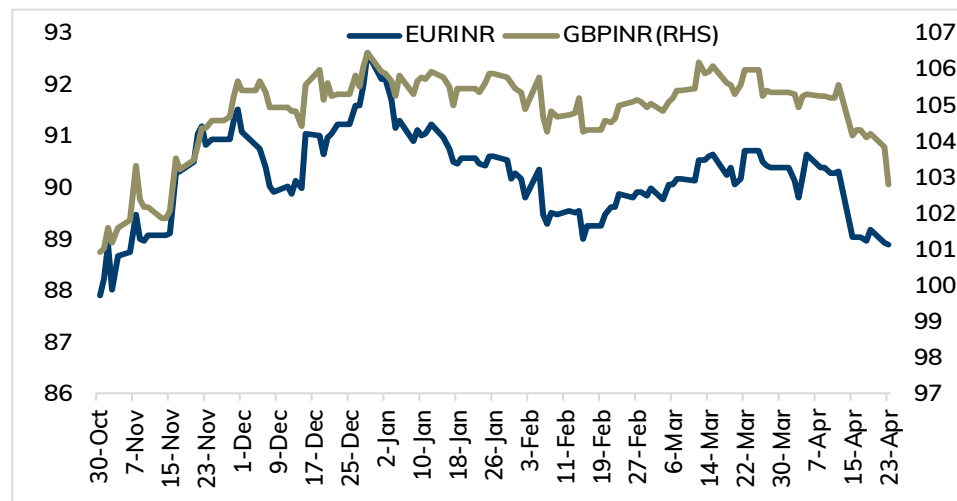
## Dollar Index vs. US\$INR



## Rupee Outlook

- Rupee closed on positive note yesterday amid soft dollar and likely equity inflows. Further, rupee gained strength on rise in risk appetite in the domestic markets coupled with likely dollar sales from state run banks.
- Rupee is likely to depreciate today amid firm dollar and rise in crude oil prices. Dollar and US treasury yields are likely to move north on forecast of improved economic data from US, which may prompt investors to push back rate cut expectations. As per CME FedWatch tool markets are currently pricing in a 46% chance of the Fed's first rate cut starting in September. Additionally, investors will remain cautious ahead of manufacturing and services pmi data from major economies to gauge economic health. USDINR April likely to rise towards 83.50 level as long as it stays above 83.20 level (50-Day EMA).

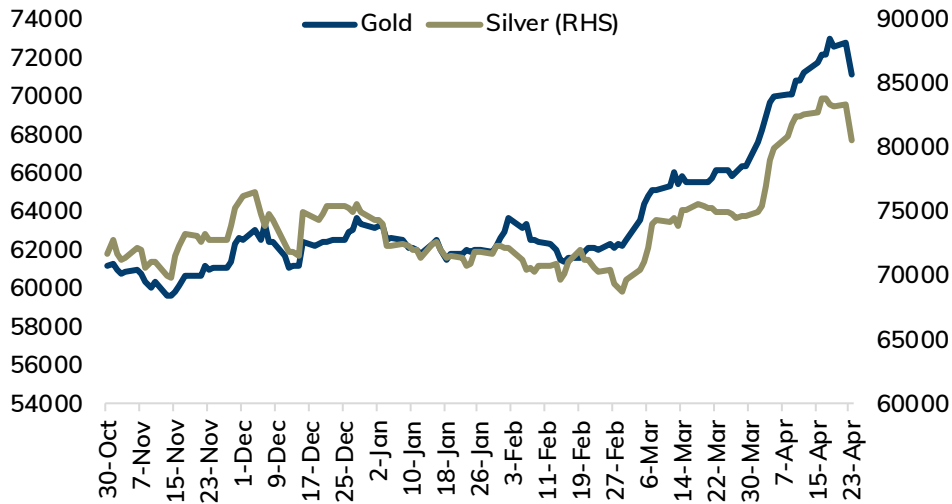
## EURINR vs. GBPINR



## Euro and Pound Outlook

- Euro slipped marginally by 0.02% yesterday amid weaker than expected economic data from euro zone and dovish comments from ECB officials. ECB Governing Council member Centeno said central bank could cut interest rates by more than 100 bps this year. For today, EURUSD is likely to face resistance near 1.0680 level (10-Day EMA) and slip towards 1.0620 levels amid firm dollar and divergence in monetary policy. US Fed is expected to delay its first rate cut to September while ECB is likely to begin cutting rates since June meeting. EURINR April is likely to slip towards 88.60 levels as long as it trades below 89.10 levels.
- Pound is expected to slip towards 1.2290 levels as long as its stays below 1.2400 level amid firm dollar. Meanwhile, sharp downside would be cushioned on expectation of improved manufacturing and services pmi data from Britain. GBPINR April is likely to slip further towards 102.50 level as long as it stays below 103.10 levels

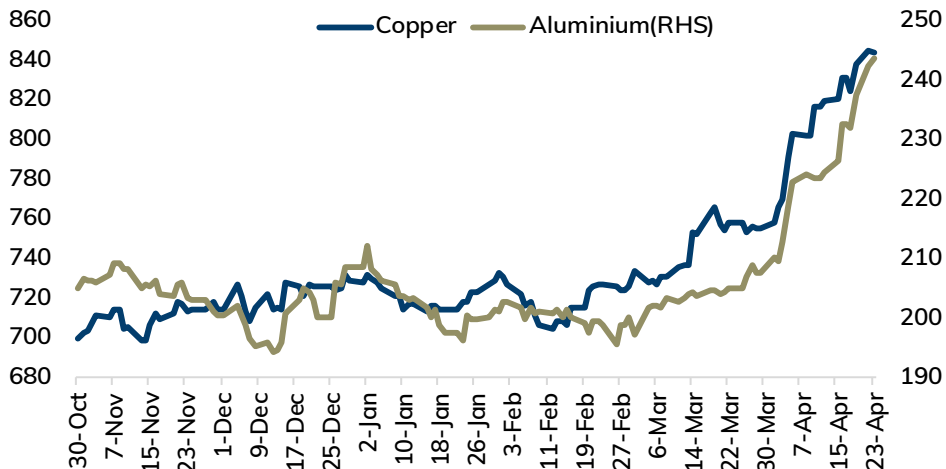
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected face stiff resistance near \$2360 and weaken towards \$2300 on expectation of improved economic numbers from US, which would push the dollar and yields higher. Forecast of improvement in the manufacturing activity in US would lower the rate cut probability and force the Fed to hold the rates higher for longer. Furthermore, easing geopolitical tension in the Middle East and increasing risk appetite could weigh on the bullions. A move below \$2300 would open the doors towards the next key support at \$2280.
- MCX Gold June is expected to face the hurdle near 71400 and move lower towards 70200. Only close below 70200, it would turn weaker and slide further towards 69500.
- MCX Silver May is expected to consolidate in the band of 80000 and 81400. Only a move below 80000, it would weaken further towards 78500.

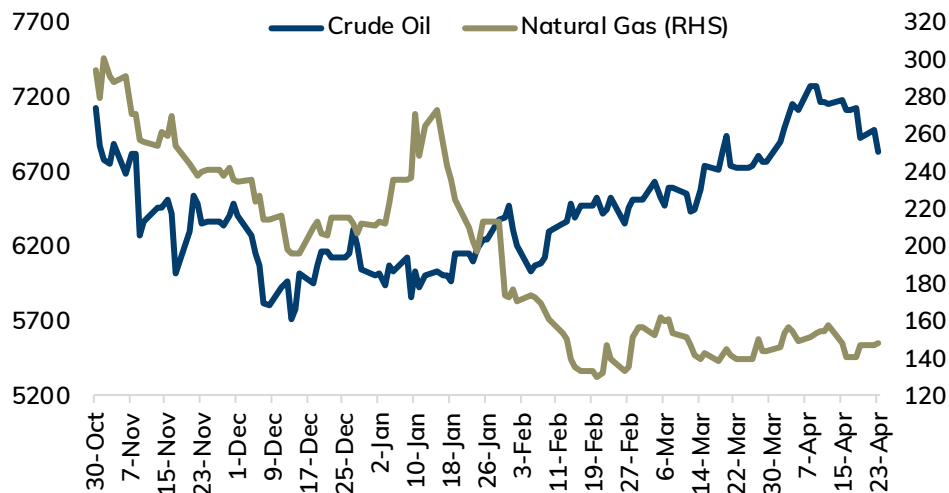
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to hold its ground and trade with a positive bias amid tighter supply and improved demand outlook. Forecast of improved manufacturing activity in the US and UK would reignite the industrial demand outlook and help the metal to recover yesterday's losses. Further, expectation of rise in new home sales numbers from US would provide necessary support to the red metal. On the other hand, stronger dollar due to higher for longer interest rate outlook by the Federal reserve would restrict any major upside in the base metals.
- MCX Copper May is expected to move towards 856, as long as it holds above the immediate support at 845.
- Aluminum is expected to hold the support at 241 and move higher towards 246.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to trade in the band of \$80 and \$83 as most investors continues to assess the risk from geopolitical concerns in the Middle East. Further, improved risk appetite and expectation of better economic numbers would also provide floor to the oil prices. Meanwhile, higher crude oil supplies from US and stronger dollar could check any major upside in the oil prices.
- MCX Crude oil May future is likely to find support near 6740 and move back towards 6920. Only a sustained move above 6920 it would rise towards 7000 mark. On the flip side a move below 6740 would open the downside in price towards the 100 day EMA at 6640.
- Natural gas is expected to hold its gains and move higher amid increasing export from US and lower production from major producers to counter the lower prices and higher inventories. MCX May futures is expected to rise towards 178, as long as it holds above 164.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70416	70806	71551	71941	72686
Silver	79093	79836	81168	81911	83243
Copper	837.2	840.7	844.6	848.2	852.1
Aluminium	240.1	241.8	243.0	244.7	245.9
Zinc	245.3	247.4	249.7	251.8	254.1
Lead	186.1	187.4	188.6	189.9	191.1
Crude Oil	6688	6761	6817	6890	6946
Nat Gas	142	145	147	151	153

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	80.13	81.75	82.61	84.24	85.10
US\$INR (May)	83.33	83.40	83.49	83.56	83.65
EURINR (Apr)	88.62	88.76	88.89	89.03	89.16
EURINR (May)	89.17	89.29	89.37	89.48	89.56
GBPINR (Apr)	102.20	102.52	103.06	103.38	103.92
GBPINR (May)	103.52	103.63	103.83	103.94	104.14
JPYINR (Apr)	53.76	53.82	53.92	53.98	54.08
JPYINR (May)	54.37	54.48	54.62	54.73	54.87

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	106.08	106.15	-0.07%
US\$INR	83.37	83.47	-0.12%
EURUSD	1.0655	1.0656	-0.01%
EURINR	88.80	88.97	-0.19%
GBPUSD	1.2350	1.2370	-0.16%
GBPINR	102.92	103.94	-0.98%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.190	7.228	-0.038
US	4.609	4.621	-0.0122
Germany	2.486	2.500	-0.014
UK	4.205	4.230	-0.025
Japan	0.890	0.851	0.039

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
17-04-2024	8:00 PM	2.7M	1.6M
10-04-2024	8:00 PM	5.8M	0.9M
03-04-2024	8:00 PM	3.2M	-0.3M
27-03-2024	8:00 PM	3.2M	-0.7M
20-03-2024	8:00 PM	-2.0M.	-0.9M
13-03-2024	8:00 PM	-1.5M	0.9M
06-03-2024	9:00 PM	1.4M	2.4M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	121200	-925	-0.76%
Aluminium	500000	-4000	-0.79%
Zinc	256175	-25	-0.01%
Lead	271525	50	0.02%
Nickel	74928	1170	1.59%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 22, 2024						
6:45 AM	China	1-y Loan Prime Rate	3.45%	3.45%	3.45%	Medium
6:45 AM	China	5-y Loan Prime Rate	3.95%	3.95%	3.95%	Medium
7:30 PM	Europe	Consumer Confidence	-15	-14	-15	Medium
Tuesday, April 23, 2024						
12:45 PM	Europe	French Flash Manufacturing PMI	-	46.9	46.2	High
1:00 PM	Europe	German Flash Manufacturing PMI	-	42.8	41.9	High
1:30 PM	Europe	Flash Manufacturing PMI	-	46.5	46.1	Medium
2:00 PM	UK	Flash Manufacturing PMI	-	50.3	50.3	High
7:15 PM	US	Flash Manufacturing PMI	-	52	51.9	High
7:15 PM	US	Flash Services PMI	-	52	51.7	High
7:30 PM	US	New Home Sales	-	668K	662K	Medium
7:30 PM	US	Richmond Manufacturing Index	-	-7	-11	Medium
Wednesday, April 24, 2024						
1:30 PM	Europe	German ifo Business Climate	-	88.9	87.8	Medium
6:00 PM	US	Core Durable Goods Orders m/m	-	0.30%	0.30%	Medium
6:00 PM	US	Durable Goods Orders m/m	-	2.50%	1.30%	Medium
8:00 PM	US	Crude Oil Inventories	-	1.7M	2.7M	Medium
Thursday, April 25, 2024						
6:00 PM	US	Advance GDP q/q	-	2.50%	3.40%	High
6:00 PM	US	Unemployment Claims	-	215K	212K	High
7:30 PM	US	Pending Home Sales m/m	-	0.90%	1.60%	High
8:00 PM	US	Natural Gas Storage	-	-	50B	Medium
Friday, April 26, 2024						
Tentative	Japan	BOJ Policy Rate	-	<0.1%	<0.1%	High
6:00 PM	US	Core PCE Price Index m/m	-	0.30%	0.30%	High
7:30 PM	US	Revised UoM Consumer Sentiment	-	77.8	77.9	High



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