

July 4, 2024

# Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	August	Buy	72100-72125	72750	71700	Intraday

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## News and Developments

- Gold prices gained more than 1% yesterday amid growing bets of interest rate cut in September after recent US data suggested that the labor market was softening. Weekly unemployment claims further rose to two and half year high in June signaling cooling job market. Further, contraction in the US service sector activity to a four year low in June favored the rate cut hopes.
- Spot silver prices rallied the most amid weakness in the dollar index and treasury yields. Meanwhile, the rally in the bullions took a pause after the latest FOMC meeting minutes indicates no sign of early rate cut. But most members acknowledged that the economy is cooling and inflation is moving towards the 2% target.
- Dollar index traded lower amid weak economic numbers from US. Rise in weekly jobless claims data and lower than expected rise in US ADP Non-Farm Employment weighed on the dollar to slide towards 105.30.
- Benchmark 10-year Treasury yields settled near 4.35%.
- NYMEX Crude oil prices edged higher after the weekly EIA data reported a larger than expected draw in US crude oil and gasoline inventories signaling strong demand ahead of the 4<sup>th</sup> July Holiday. Oil stocks fell by 12.2 million barrels to 448.5M barrels, while gasoline inventories dropped by 2.2M barrels. Meanwhile, weaker than expected US economic numbers raised doubts over the demand outlook.
- 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.
- Natural Gas prices remained near its 7-week lows following the EIA inventory report which reported a 37 bcf storage build against forecast of 29 bcf build.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72403	1.19%	2356.20	1.15%
Silver	89894	2.29%	30.50	3.30%
Copper	863.3	1.92%	9868.00	2.02%
Aluminium	233.4	1.35%	2548.00	1.01%
Zinc	272.8	2.34%	2991.00	2.34%
Lead	189.4	0.48%	2222.00	0.89%
WTI Crude Oil	6951	0.03%	83.88	1.29%
US Nat Gas	203.5	-0.25%	2.42	-0.70%

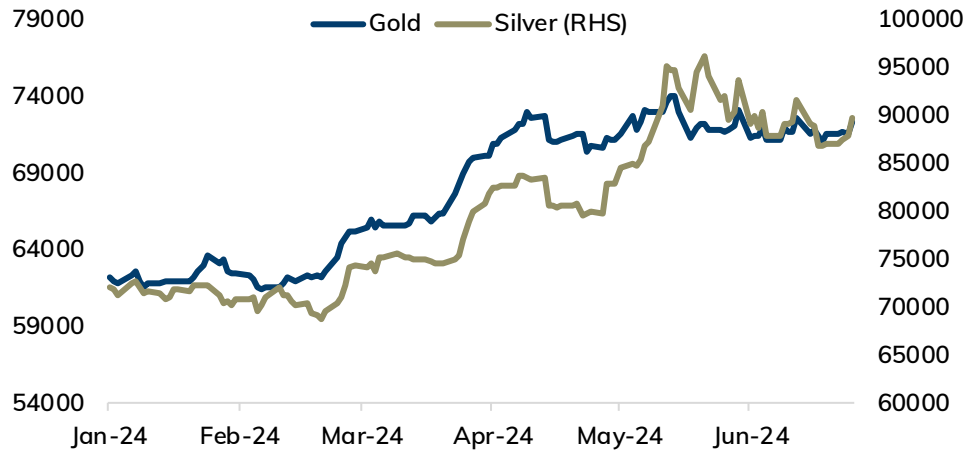
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th July)	83.58	0.04%	2481412	26595	168592	35352
EURINR (29th July)	89.96	0.33%	14352	899	3528	274
GBPINR (29th July)	106.05	0.45%	12428	6439	9602	8356

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	July	Buy	6880-6900	7070	6800	Profit Booked

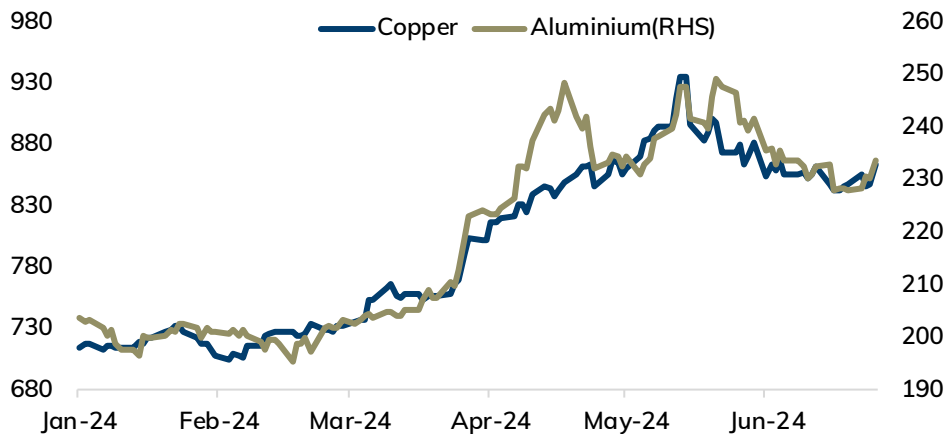
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected to move in a tight range amid bank holiday in US. Recent data indicated softening labor market in US, which would act as the key driver for the bullions to trade higher. Spot gold is expected to hold the support near \$2340 and extend its rally towards \$2370. The probability of rate cut in September has went up to 74% after yesterdays weak economic numbers. Meanwhile, focus will remain on Friday's US Non-farm payroll numbers which could give more clues on the timing of first interest rate cut.
- MCX Gold Aug is expected to hold the key support near 71,900 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 90,000 and rise towards 92,500. Above 92,500 it would open the doors towards 93,400.

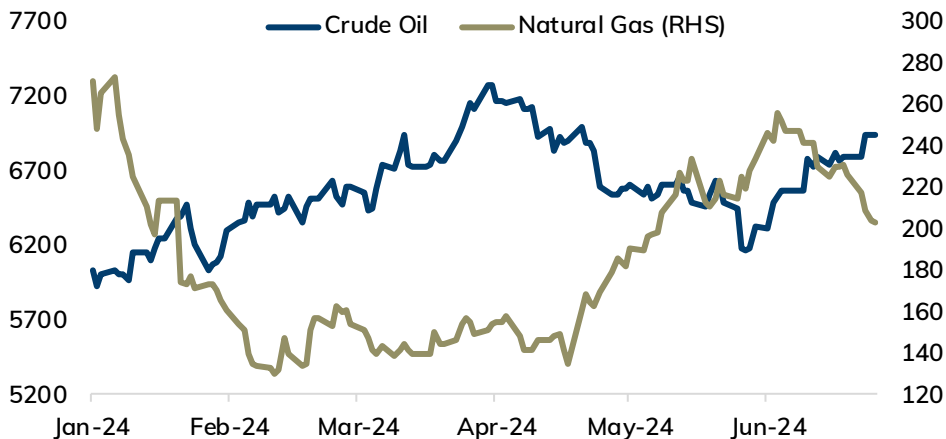
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to extend its rebound amid softness in the US dollar and signs of improving demand from the top metal consumer China. Further, hopes of fresh round of stimulus from China's third Plenum policy meeting later this month would support the metals to hold its gains. Additionally, improved risk appetite amid growing bets of rate cut from the Fed would support the metal to trade higher. Meanwhile, expanding global inventories would keep a check on the upside in the metal.
- MCX Copper July is expected to hold the support near 20 day EMA at 855 and move towards 870. Above 870, 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.

## 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 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 also provide support to the energy prices. On the contrary, weaker economic numbers from US and China would hurt the demand outlook and check its upside. Further, higher OI concentration at 85 Call strike indicates a stiff resistance, which act as supply zone for price.
- MCX Crude oil July is likely to rise towards 7080, 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 211 ( 5 DEMA) and move lower towards 200 amid forecast of cooler weather in US.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71332	71868	72220	72756	73108
Silver	87424	88659	89513	90748	91602
Copper	841.5	852.4	859.4	870.3	877.4
Aluminium	229.2	231.3	232.7	234.8	236.2
Zinc	265.6	269.2	271.4	275.0	277.1
Lead	187.9	188.6	189.2	189.9	190.5
Crude Oil	6851	6901	6935	6985	7019
Nat Gas	199	201	204	207	210

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (July)	83.51	83.55	83.58	83.62	83.66
US\$INR (Aug)	83.57	83.62	83.65	83.70	83.74
EURINR (July)	89.60	89.78	89.88	90.06	90.15
EURINR (Aug)	89.91	90.03	90.11	90.23	90.31
GBPINR (July)	105.72	105.88	105.98	106.14	106.24
GBPINR (Aug)	105.71	105.88	105.96	106.13	106.22
JPYINR (July)	51.39	51.55	51.72	51.88	52.05
JPYINR (Aug)	52.19	52.22	52.28	52.31	52.36

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.40	105.72	-0.30%
US\$INR	83.53	83.50	0.03%
EURUSD	1.0786	1.0745	0.38%
EURINR	89.83	89.44	0.44%
GBPUSD	1.2742	1.2685	0.45%
GBPINR	106.05	105.49	0.53%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.998	7.012	0.00
US	4.359	4.432	-0.02
Germany	2.585	2.603	-0.01
UK	4.172	4.248	-0.02
Japan	1.101	1.086	0.01

## 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	186450	1975	1.07%
Aluminium	1009825	-5100	-0.50%
Zinc	259025	-750	-0.29%
Lead	222875	-3200	-1.42%
Nickel	95994	492	0.52%

# 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	-	0.50%	-0.20%	Medium
All Day	UK	Parliamentary Elections	-	-	-	High
2:00 PM	UK	Construction PMI	-	54	54.7	Medium
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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