

May 24, 2024

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	June	Sell	71900-71950	71300	72300	Intraday

Research Analysts

Jay Thakkar
jay.thakkar@icicisecurities.com

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Anup Sahu
anup.sahu@icicisecurities.com

News and Developments

- Spot gold prices slipped yesterday by more than 2.0% and fell to more than a week's low, extending its decline for a third straight session amid strong dollar and rise in US treasury yields. Hawkish FOMC meeting minutes and upbeat economic data from US reinforced expectations that US Fed would delay its first rate cut this year
- Dollar index edged up yesterday after data showed US business activity accelerated to the highest level in just over 2 years in May and number of Americans filing new claims for unemployment benefits fell last week
- S&P Global's flash US Composite PMI Output Index jumped to 54.4 this month, the highest since April 2022. Initial claims for state unemployment benefits dropped 8,000 to a seasonally adjusted 215,000 for the week ended May 18
- As per CME Fedwatch tool, expectations for Fed to cut rate in September slip to 53.9% from 57.5% a day ago while, prospects of no rate cut rose to 46.1% from 42.5% a day ago
- US Treasury yields gained after data showed persistent strength in the labor market and business activity, cementing expectations that the Fed would delay cutting interest rates this year. Yield on benchmark US 10-year treasury note rose to 4.477% and 2-year treasury yield, which typically moves in step with interest rate expectations edged higher to 4.94%.
- Crude oil prices slipped yesterday for fourth consecutive day and settled at multi-month lows amid strong dollar and rise in US crude oil inventories. Further, prices slipped on concerns over high for longer US interest rates
- Copper prices slipped for 3rd consecutive day amid strong dollar and profit taking. Additionally, In China, copper inventory remained at a 4-year high as demand waned

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71577	-2.01%	2329.27	-2.08%
Silver	90437	-2.77%	30.13	-2.13%
Copper	890.2	-0.66%	10417.50	-0.01%
Aluminium	239.9	-0.68%	2621.50	-0.57%
Zinc	271.9	0.04%	3062.50	0.00%
Lead	191.2	-1.16%	2306.00	-0.35%
WTI Crude Oil	6397	-1.46%	76.87	-0.90%
US Nat Gas	223.5	-4.57%	2.66	-6.51%

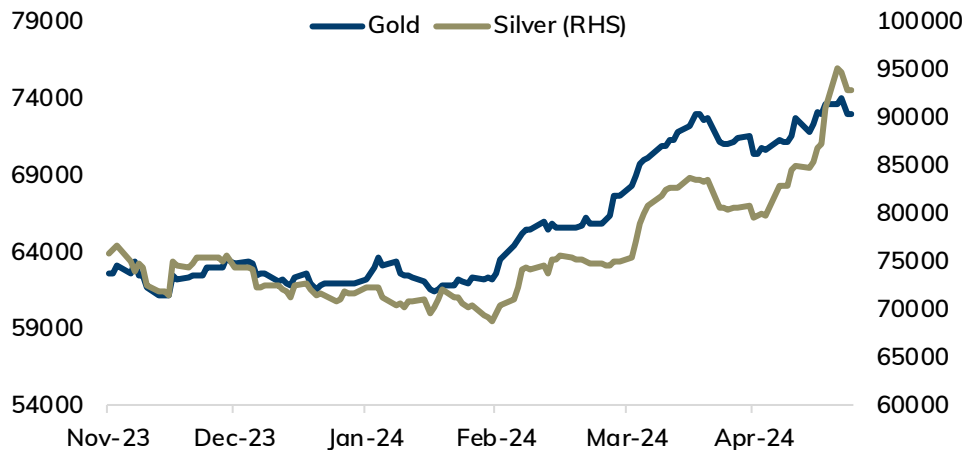
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th May)	83.30	-0.04%	2518920	-39741	251869	-594996
EURINR (29th May)	90.23	-0.23%	26162	1634	5234	2399
GBPINR (29th May)	105.90	0.10%	15017	-2728	6207	2566

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	June	Sell	6450-6460	6300	6550	Stoploss Triggered

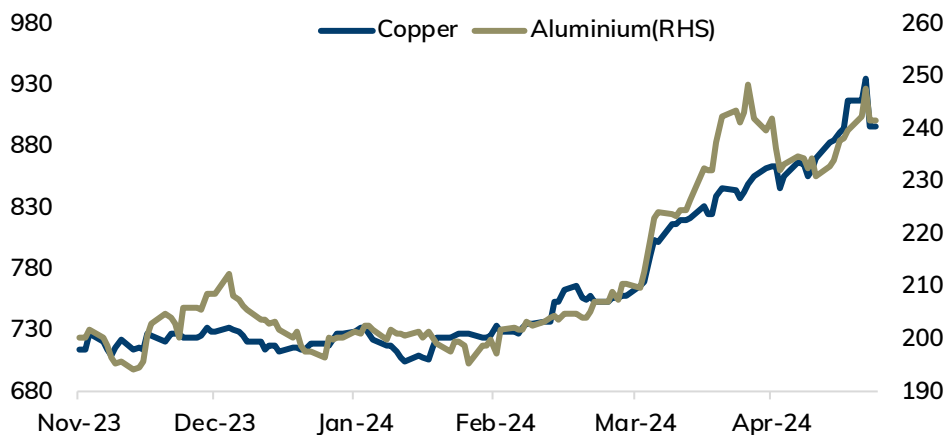
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to slip further towards \$2300 level amid firm dollar and surge in US treasury yields. Yields and Dollar are moving north as recent batch of economic data from US showed resilience in economic activity, reinforcing expectations that US Federal Reserve would delay its first rate cut and even pushed back 2 rate cut expectations. Manufacturers in US reported higher prices for range of inputs, signaling good inflations to accelerate in coming months. Spot gold is likely to slip towards \$2300 level (50-Day EMA) as long as it stays below \$2355 level (20-Day EMA). A sustain break below \$2300 prices may move towards \$2280/\$2250 levels
- MCX Gold June prices is likely to slip further towards 70,800 level as long as it stays below 72,000 level. As break below 70,800 level prices may slide further towards 70,300 level (50-Day EMA).
- MCX Silver July is expected to follow gold and slip towards 89,400 level as long as it stays below 91,300 level

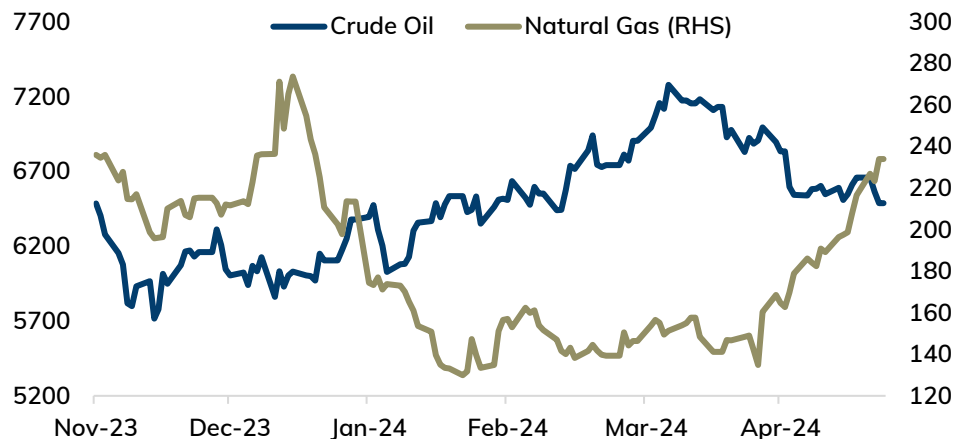
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to correct further amid strong dollar and risk aversion in the global markets. Further, poor demand in the near term would continue to weigh against speculative bets that triggered a broad based surge in base metals. Furthermore, prices may slip as the prospect of higher for longer US interest rates raised worries around demand growth. Moreover, International Copper Study Group said global refined copper market showed a 125,000 ton surplus in March
- MCX Copper is expected to slip further towards 880 level (20-Day EMA) as long as it stays below 903 level. A break below 880 level prices may move further south towards 870 level
- Aluminum is expected to move south towards 236.50 level (20-Day EMA) as long as it remains below 242 level. A break below 236.5 level prices may slide further towards 234 level.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to slip further towards \$75.50 levels amid strong dollar and unexpected build in US crude oil inventories. Further, hawkish FOMC meeting minutes and better than expected economic data from US, reinforced expectations that US Fed would not only delay its rate cut but will also reduce the number of rate cuts. High interest rates increase the cost of borrowing and slowdown economic activity and dampen oil demand. Moreover, Investors are also looking ahead of the OPEC+ meeting, scheduled on 1st June, where the group will decide its output policy. NYMEX crude oil may slip further towards \$75.5 level as long as it stays below \$78 level.
- MCX Crude oil June is likely to slip towards 6300 levels as long as it trades below 6500 level
- MCX Natural gas is expected to slip further towards 217 level as long as it stays below 230 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70738	71158	71919	72339	73100
Silver	88586	89511	91176	92101	93766
Copper	868.6	879.4	890.8	901.6	913.1
Aluminium	234.8	237.3	239.4	241.9	243.9
Zinc	264.5	268.2	271.2	274.8	277.8
Lead	188.3	189.8	191.4	192.8	194.4
Crude Oil	6279	6338	6447	6506	6615
Nat Gas	206	215	229	238	253

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.19	83.25	83.28	83.34	83.37
US\$INR (Jun)	83.27	83.32	83.36	83.40	83.44
EURINR (May)	90.07	90.15	90.28	90.36	90.50
EURINR (Jun)	90.23	90.30	90.42	90.48	90.60
GBPINR (May)	105.50	105.70	105.90	106.10	106.30
GBPINR (Jun)	105.55	105.68	105.78	105.91	106.00
JPYINR (May)	53.25	53.40	53.60	53.75	53.95
JPYINR (Jun)	53.89	53.97	54.04	54.11	54.18

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.11	104.93	0.17%
US\$INR	83.28	83.31	-0.04%
EURUSD	1.0815	1.0823	-0.07%
EURINR	90.32	90.58	-0.29%
GBPUSD	1.2699	1.2717	-0.14%
GBPINR	106.00	105.99	0.00%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.037	7.079	-0.01
US	4.477	4.422	0.01
Germany	2.596	2.534	0.02
UK	4.259	4.232	0.01
Japan	1.002	1.009	-0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
5/15/2024	8:00 PM	-2.5M	-0.4M
5/8/2024	8:00 PM	-1.4M	-1.0M
5/1/2024	8:00 PM	7.3M	-2.3M
4/25/2024	8:00 PM	-6.4M	1.6M
4/17/2024	8:00 PM	2.7M	1.6M
4/10/2024	8:00 PM	5.8M	0.9M
4/3/2024	8:00 PM	3.2M	-0.3M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	110025	-225	-0.20%
Aluminium	1127775	2600	0.23%
Zinc	257625	0	0.00%
Lead	202175	-375	-0.19%
Nickel	84042	-48	-0.06%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, May 20, 2024						
6:45 AM	China	1-y Loan Prime Rate	3.45%	4.80%	4.85%	High
6:45 AM	China	5-y Loan Prime Rate	3.95%	3.95%	3.95%	Medium
Tuesday, May 21, 2024						
1:30 PM	US	Treasury Sec Yellen Speaks	-	-	-	High
2:30 PM	Europe	Trade Balance	17.3B	19.9B	17.9B	Medium
10:30 PM	UK	BOE Gov Bailey Speaks	-	-	-	Medium
Wednesday, May 22, 2024						
11:30 AM	UK	CPI y/y	2.30%	2.10%	3.20%	High
7:30 PM	US	Existing Home Sales	4.14M	4.21M	4.19M	Medium
8:00 PM	US	Crude Oil Inventories	1.8M		(-2.5)M	Medium
11:30 PM	US	FOMC Meeting Minutes	-	-	-	High
Thursday, May 23, 2024						
1:00 PM	Europe	German Flash Manufacturing PMI	45.40	43.40	43.40	High
1:00 PM	Europe	German Flash Services PMI	53.90	51.8	51.3	High
1:30 PM	Europe	Flash Manufacturing PMI	47.40	46.2	45.7	Medium
2:00 PM	UK	Flash Manufacturing PMI	51.30		49.1	Medium
2:00 PM	UK	Flash Services PMI	52.9		55	Medium
6:00 PM	US	Unemployment Claims	215k	221k	222k	High
7:15 PM	US	Flash Manufacturing PMI	50.9	50	50	Medium
7:15 PM	US	Flash Services PMI	54.8	51.2	51.3	Medium
7:30 PM	US	New Home Sales	634k	677k	693k	Medium
8:00 PM	US	Natural Gas Storage	78B	84B	70B	Medium
Friday, May 24, 2024						
11:30 AM	UK	Retail Sales m/m	-	-0.50%	0.00%	High
6:00 PM	US	Durable Goods Orders m/m	-		0.90%	High
7:30 PM	US	Revised UoM Consumer Sentiment	-		67.40%	Medium



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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