July 3, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	July	Buy	6880-6900	7070	6800	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

Daily Snapshot

News and Developments

- Gold prices gave up its earlier gains and edged lower on Tuesday as better than expected US jolts job opening numbers weighed on the dovish comments from the Fed Chair. Further, hawkish comments from ECB to delay further interest rate cuts amid sticky inflation numbers also undercut the gains in the bullions. Meanwhile, softness in the dollar and decline in the US treasury yields limited the downside in the bullions.

- Spot silver prices steadied yesterday ahead of the key economic numbers from US this week. Soft dollar and decline in US treasury yields supported the metal to edge higher.

- Dollar index edged lower amid dovish comments from the Fed Chair Powell. Powell in his speech said that prices now show signs of resuming their disinflation trend. Meanwhile, surprise gains in the US May jolts job opening numbers supported the dollar to trim its losses.

- US 10-year treasury yields moved lower to 4.43% and the 2-year treasury yields steadied near 4.74%

- NYMEX Crude oil prices retreated from its 2-month highs and edged lower amid rebound in crude oil exports from Russia. Meanwhile, escalating tension in the Middle East and concerns over lower crude output ahead of the stronger-than expected hurricane season limited the downside in price.

- Copper prices pared its earlier gains amid demand uncertainties. Further, conflicting reports on Chinese manufacturing activity clouded the outlook for the world's top copper consumer. Meanwhile, withdrawals of stocks in South Korea relieved some oversupply pressure and supported the metal to edge higher.

- Natural Gas prices remained under pressure and lost more than 2% amid rise in US gas production and enlarged inventory levels.

Price Performance

Commodity	LTP (₹)	Change	LTP ($)	Change
Gold	71554	-0.14%	2329.46	-0.10%
Silver	87882	0.41%	29.53	0.26%
Copper	849.6	0.13%	9672.50	0.44%
Aluminium	231.0	-0.24%	2522.50	0.28%
Zinc	264.6	0.21%	2922.50	-0.20%
Lead	189.4	-0.47%	2202.50	-0.72%
WTI Crude Oil	6949	-0.01%	82.81	-0.68%
US Nat Gas	204.0	-2.63%	2.44	-1.74%

Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th July)	83.55	0.05%	2454817	-421	133240	58053
EURINR (29th July)	89.66	-0.21%	13453	733	3254	-4764
GBPINR (29th July)	105.58	-0.11%	5989	-304	1246	-177

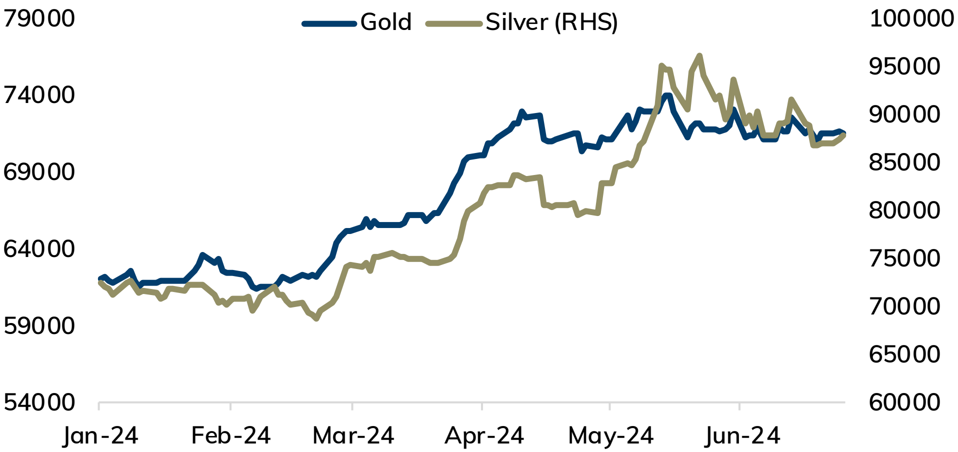
Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	July	Buy	6880-6900	7070	6800	Not initiated

Source: Bloomberg, Reuters, ICICI Direct Research

Metal's Outlook

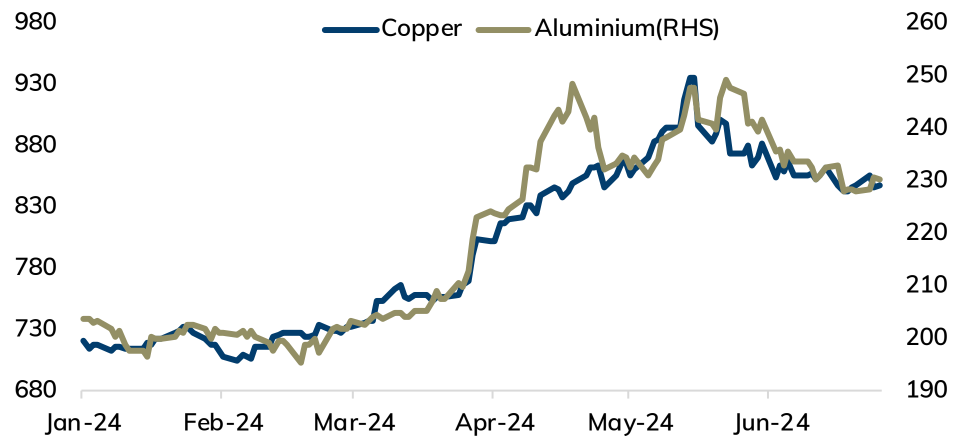
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold its ground near $2310 and rise towards $2345 amid softness in the dollar and decline in global treasury yields. Further, expectation of crack in the US job market may provide necessary fuel to Fed to lower the rates in September. Meanwhile, focus will remain on key economic numbers from US and the outcome of FOMC meeting minutes, which could give more clarity on the timing of first interest rate cut
- MCX Gold Aug is expected to hold the key support near 71,200 and move back towards 72,000. A move above 72,000 would bring fresh buying interest in the yellow metal and push it towards 72,500. Likewise below 71,200, key support exists near 70,800.
- MCX Silver September is expected to hold the support near 50 day EMA 89,000 and rise towards 90,500. Only move below, 89,000 it will slide towards 88,200.

MCX Copper vs. Aluminium



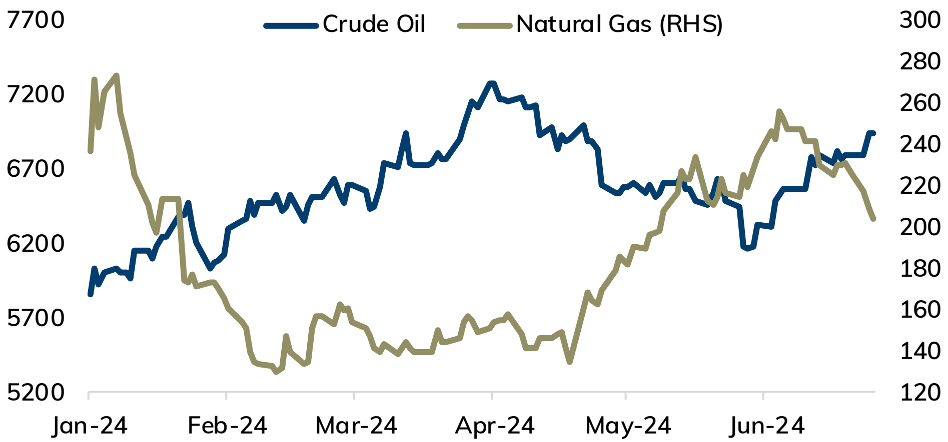
Base Metal Outlook

- Copper prices are expected to hold its recent lows and rebound again amid hopes of fresh round of stimulus from China's at its third Plenum policy meeting later this month. Further hopes of rate cut from the Federal Reserve would also support the metal to regain its footing. Meanwhile, gains in the metal could be capped due to expanding global inventories and weak Chinese demand. Again , focus will remain on key US economic numbers and the outcome of FOMC meeting minutes.
- MCX Copper July is expected to remain in the range of 842 to 855. Only a move above 855 (20 DEMA) it would rise towards 860.
- Aluminum is expected to face the hurdle near 233 and move towards 228, amid increasing production from China and higher LME inventory.

Source: Bloomberg, Reuters, ICICI Direct Research

Energy Outlook

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade firm and rise towards $85 mark amid rise in demand over the summer driving season in US. Larger than expected draw in US crude oil stocks would support the demand outlook. Further, increasing geopolitical tension in the Middle east would hurt global supplies. Additionally, expectation of lower production from US ahead of the hurricane season would support its gains. Meanwhile, focus will remain on US FOMC meeting minutes and key job data which could give more clarity on the timing of first interest rate cut.
- 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 215 (5 DEMA) and move lower towards 200.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71201	71377	71609	71785	72017
Silver	86870	87376	88094	88600	89318
Copper	840.2	844.9	850.3	855.0	860.3
Aluminium	229.9	230.5	231.0	231.5	232.0
Zinc	263.2	263.9	265.2	265.9	267.2
Lead	188.3	188.8	189.4	189.9	190.4
Crude Oil	6872	6911	6974	7013	7076
Nat Gas	199	202	205	207	210

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US$INR (July)	83.49	83.52	83.57	83.61	83.66
US$INR (Aug)	83.52	83.58	83.63	83.69	83.74
EURINR (July)	89.49	89.58	89.71	89.80	89.93
EURINR (Aug)	89.81	89.88	89.98	90.05	90.16
GBPINR (July)	105.47	105.52	105.59	105.64	105.71
GBPINR (Aug)	105.48	105.55	105.68	105.76	105.89
JPYINR (July)	51.52	51.71	51.98	52.17	52.44
JPYINR (Aug)	52.10	52.22	52.37	52.49	52.64

Source: Bloomberg, Reuters, ICICI Direct Research

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.72	105.90	-0.17%
US$INR	83.50	83.45	0.07%
EURUSD	1.0745	1.0740	0.05%
EURINR	89.44	89.78	-0.37%
GBPUSD	1.2685	1.2650	0.28%
GBPINR	105.49	105.74	-0.23%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.012	7.011	0.00
US	4.432	4.461	-0.01
Germany	2.603	2.607	0.00
UK	4.248	4.281	-0.01
Japan	1.086	1.061	0.02

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
5/15/2024	8:00 PM	-2.5M	-0.4M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	184475	4425	2.46%
Aluminium	1014925	-6425	-0.63%
Zinc	259775	-2075	-0.79%
Lead	226075	1875	0.84%
Nickel	95502	66	0.07%

Source: Bloomberg, Reuters, ICICI Direct Research

Economic Calendar

ICICI direct Research

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	-	156K	152K	High
6:00 PM	US	Unemployment Claims	-	235K	233K	High
7:30 PM	US	ISM Services PMI	-	52.5	53.8	High
8:00 PM	US	Crude Oil Inventories	-	-	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

Source: Bloomberg, Reuters, ICICI Direct Research

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

Disclaimer

I/We, Jay Thakkar MBA (Finance), Raj Deepak Singh BE, MBA (Finance), Saif Mukadam BSc, MMS (Finance), Anup Sahu BSc, MBA (Finance) Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.
ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

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

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Disclaimer

Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.