

June 18, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	June	Sell	853-854	842	860	Intraday

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News and Developments

- Spot gold prices traded lower on Monday amid higher global bond yields. Also, improved economic numbers from US and hawkish comments from the Fed members weighed on the bullions to trade lower. However, softness in the dollar supported the metals to trim its earlier losses towards the end of the session.
- Dollar gave up its earlier gains as the Euro strengthened after French political risks eased. Earlier, dollar rallied amid hawkish comments from fed members, despite last week's lower-than expected inflation numbers. Further, better than expected US Empire State Manufacturing Index also supported the dollar to hold above 105.30.
- US Treasury yields rebounded from its two-month lows on Monday after Minneapolis Fed President Kashkari emphasized to cut the rates only one time this year.
- Crude oil prices settled higher amid growing bets of higher demand from the summer driving season. Also, tension in the Middle East also supported the oil prices to rise towards the \$80 mark. Meanwhile, mixed economic numbers from China restricted the upside in oil prices.
- Copper prices hit its lowest level in two-weeks amid weak industrial data from China. Further sluggish growth in Chinese property sector also weighed on the metal. New home prices dropped for the 13th month in a row despite the recent measures from the Chinese officials to boost the sector.
- Aluminum prices slide the most and hit its lowest in over two-months amid poor demand and improved supply from China's production hub of Yunnan province.
- Natural Gas prices declined more than 3% amid improved supply and increasing use of coal over gas in US. Further, forecast of lower temperatures across Texas this week also weighed on the gas prices.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71450	-0.72%	2319.14	-0.60%
Silver	88820	-0.30%	29.47	-0.30%
Copper	849.7	-0.83%	9665.50	-0.78%
Aluminium	231.5	-0.43%	2501.50	-0.64%
Zinc	257.6	0.88%	2815.50	1.73%
Lead	188.0	0.40%	2156.50	0.79%
WTI Crude Oil	6670	1.46%	80.33	2.40%
US Nat Gas	233.8	-3.35%	2.79	-3.23%

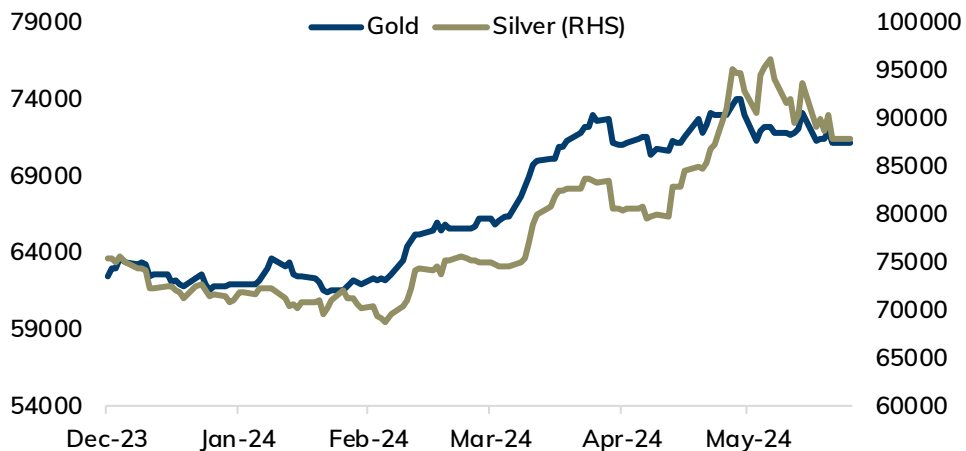
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.56	0.00%	3876470	197571	518897	338666
EURINR (26th June)	89.51	-0.78%	11194	-1041	9630	5674
GBPINR (26th June)	106.20	-0.47%	22416	-4407	5730	2430

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural gas	June	Sell	249-250	241	254	Profit Booked

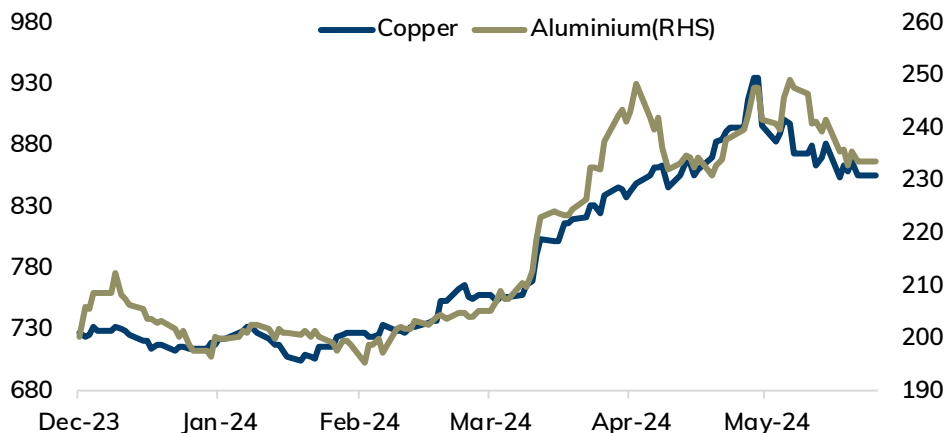
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to face the resistance near \$2340 level and move lower towards \$2300 amid rise in global treasury yields. Further, expectation of improved retail sales numbers and industrial production data from US could lower the chance of early rate cut in US. Meanwhile, investors will keep an eye on comments from the FOMC members to get more clarity on the timing of rate cut. Also, higher call base near 2350 strike would act as key resistance for price. Additionally, bearish cross over of 10 and 20 day EMA would restrict the upside in the yellow metal.
- MCX Gold Aug price is likely to face the hurdle near 71800 and move back towards 71,000 level (50-Day EMA). Only a move below 71,000 it would turn weaker
- MCX Silver July is expected to face the hurdle near 89750 and move lower towards 88,000. A break below 88,000 level prices may slip further towards 87,200 level

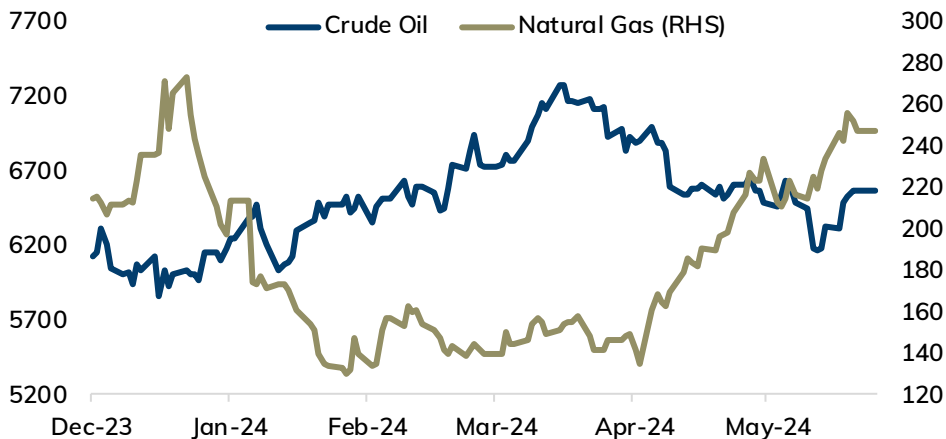
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with the negative bias amid weak economic data from China. Persistent weakness in the housing sector along with rising inventories in both LME and SHFE warehouses would weigh on the metal prices to trade lower. A property market slump, high local Government debt and deflation remained the top concerns in China, would weigh on the metal prices. Additionally, higher borrowing cost for longer duration will hurt economic growth and dent demand for industrial metals
- MCX Copper is expected to slip further towards 842 level as long as it stays below 862 level (10-Day EMA). A break below 842 prices may skid further towards 836 level
- Aluminum is expected move further south towards 230 level as long as it stays below 236 level. A break below 230 level prices may dip further towards 227 level.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise towards \$81.0 level amid risk-on sentiments and tight global supplies. Further, heightened tension in the Middle East would hurt the global supplies and support the oil to hold its gains. Price may also find support after Russia pledged to meet its output obligations under the OPEC+ pact. Also, fresh addition of net longs last week would strengthen its gains towards the \$81 mark. Meanwhile, higher OI base near the 80 and 81 strike calls could restrict the upside in the oil prices.
- MCX Crude oil July is likely to move higher towards 6720 level as long as it stays above 6500 level. Only, a move above 6720 it would turn bullish.
- MCX Natural gas June is expected to slip further towards 230 as long as it stays below 242 level amid improved natural gas supplies and expectations for cooler US temperature towards the end of this week.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71061	71256	71519	71714	71977
Silver	87713	88267	88820	89374	89927
Copper	842.8	846.2	848.8	852.2	854.8
Aluminium	229.2	230.4	231.4	232.6	233.6
Zinc	253.8	255.7	257.0	258.9	260.2
Lead	184.2	186.1	188.0	189.9	191.9
Crude Oil	6493	6581	6630	6718	6767
Nat Gas	224	229	236	240	247

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	83.52	83.54	83.56	83.58	83.61
US\$INR (July)	83.61	83.63	83.66	83.68	83.71
EURINR (June)	88.97	89.24	89.67	89.94	90.37
EURINR (July)	89.49	89.62	89.84	89.97	90.18
GBPINR (June)	105.80	106.00	106.35	106.55	106.89
GBPINR (July)	106.03	106.16	106.41	106.53	106.78
JPYINR (June)	53.00	53.16	53.25	53.41	53.50
JPYINR (July)	53.45	53.52	53.47	53.55	53.50

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.32	105.55	-0.22%
US\$INR	83.56	83.55	0.01%
EURUSD	1.0734	1.0703	0.29%
EURINR	89.30	90.25	-1.05%
GBPUSD	1.2705	1.2687	0.14%
GBPINR	106.18	106.80	-0.59%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.983	6.987	0.00
US	4.281	4.221	0.01
Germany	2.414	2.360	0.02
UK	4.115	4.056	0.01
Japan	0.935	0.944	-0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
5/8/2024	8:00 PM	-1.4M	-1.0M
5/1/2024	8:00 PM	7.3M	-2.3M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	136675	2750	2.05%
Aluminium	1073950	-5100	-0.47%
Zinc	250950	-3250	-1.28%
Lead	206300	9575	4.87%
Nickel	87744	264	0.30%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 17, 2024						
7:30 AM	China	Industrial Production y/y	5.6%	6.2%	6.7%	Medium
6:00 PM	US	Empire State Manufacturing Index	-6.0%	-12.5	-15.6	High
Tuesday, June 18, 2024						
2:30 PM	Europe	Final CPI y/y		2.60%	2.60%	Medium
2:30 PM	Europe	German ZEW Economic Sentiment		49.60	47.10	Medium
6:00 PM	US	Retail Sales m/m		0.30%	0.00%	High
6:45 PM	US	Industrial Production m/m		0.30%	0.00%	Medium
Wednesday, June 19, 2024						
11:30 AM	UK	CPI y/y		2.0%	2.3%	High
All Day	US	NAHB Housing Market Index		45	45	Medium
Thursday, June 20, 2024						
6:45 AM	China	5-y Loan Prime Rate		3.95%	3.95%	Medium
4:30 PM	UK	Official Bank Rate		5.25%	5.25%	High
6:00 PM	US	Unemployment Claims		222k	229k	High
6:00 PM	US	Building Permits		1.37M	1.36M	Medium
8:30 PM	US	Crude Oil Inventories		-	3.7M	Medium
Friday, June 21, 2024						
11:30 AM	UK	Retail Sales m/m		1.6%	-2.3%	High
1:30 PM	Europe	Flash Manufacturing PMI		48.00	47.30	Medium
1:30 PM	Europe	Flash Services PMI		53.5	53.2	Medium
2:00 PM	UK	Flash Manufacturing PMI		51.3	51.1	High
2:00 PM	UK	Flash Services PMI		53.0	52.9	High
7:15 PM	US	Flash Manufacturing PMI		51.0	51.3	High
7:15 PM	US	Flash Services PMI		53.4	54.8	High
7:30 PM	US	Existing Home Sales		4.08M	4.14M	Medium
8:00 PM	US	Natural Gas Storage		-	74B	Medium



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