

October 3, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	October	Buy	5860-5870	6040	5780	Intraday

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News and Developments

- Precious metals remained firm amid safe haven buying. Spot gold took a pause after rallying 1% on Tuesday amid strong dollar as better than expected US ADP employment data reduced the chances of a 50 bps interest rate cut in November. Silver on the other hand gained more than 1% on expectation of improved demand from China following the bunch of measures to support the economy.
- Dollar index rose to its 2 week highs on safe-haven demand as tension in the Middle East escalates. Further, gains in the dollar accelerated after the US ADP-employment report rose to 143,000 against expectation of 124,000. Further weakness in the Yen due to dovish comments from the Prime minister of Japan and BOJ Governor also provides some support to the dollar.
- US treasury yields traded higher amid solid job growth numbers and safe haven demand due to the geopolitical tension in the Middle East 10-year treasury yield move up to 3.79% and 2-year yields settled near 3.64%.
- NYMEX crude oil prices rallied above the \$70 mark amid escalating tension in the Middle East. Direct involvement of Iran and its attack on Israel has threatened oil supplies from the World's top producing nations. Meanwhile, gains in oil prices were capped amid surprise build in US crude oil inventory last week. EIA reported inventories gained by 3.9M barrels to 417M barrels.
- Base metals prices traded higher amid growing optimism over increased demand after Chinese government introduced several measures to revive growth. Meanwhile gains were capped after the International Copper Study Group indicates surplus of 527,00 tonnes in first 7-months of this year. Further, rise in inventory levels in major exchange warehouses also weighed on the metal.
- NYMEX natural gas held stable near its 3-month highs amid reduced output and steady demand.

Source: Bloomberg, Reuters, ICICI Direct Research

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	76390	1.02%	2663.23	1.09%
Silver	91375	0.81%	31.46	0.95%
Copper	867.6	1.87%	9979.00	1.53%
Aluminium	241.3	1.51%	2648.00	1.40%
Zinc	284.6	1.39%	3146.50	1.80%
Lead	184.4	-0.03%	2108.50	0.60%
WTI Crude Oil	5935	3.31%	69.83	2.44%
US Nat Gas	243.5	0.16%	2.90	-0.92%

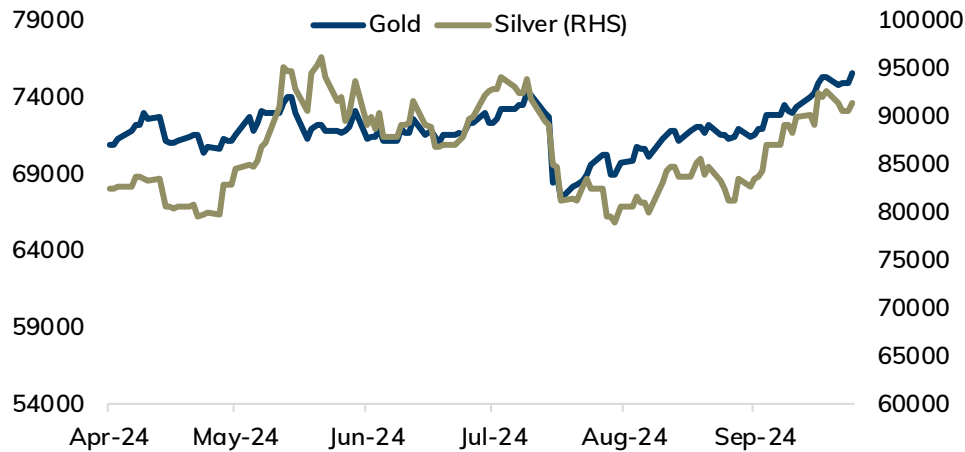
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th October)	83.93	0.03%	1199804	131365	495389	151514
EURINR (29th October)	93.19	-0.82%	49082	160	9273	3048
GBPINR (29th October)	111.81	-0.51%	58247	-1849	6315	1397

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	October	Buy	237-238	248	233	Profit Booked

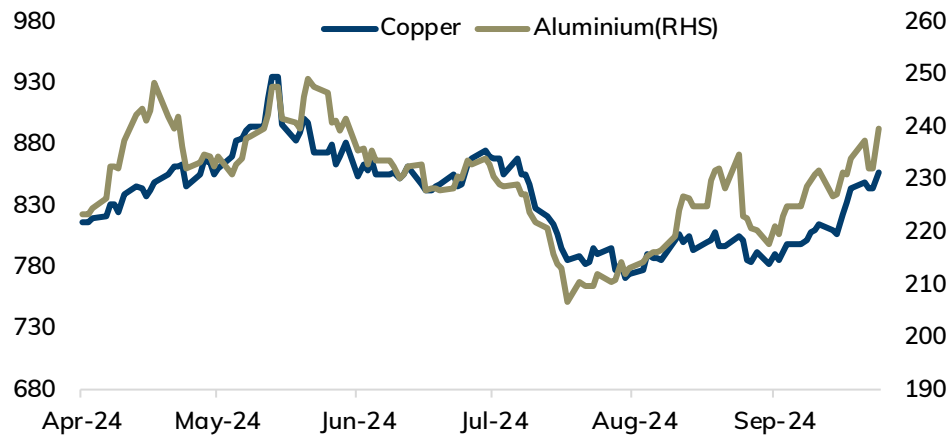
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold support near \$2620 and move back towards \$2670 amid safe haven demand. Escalating tension in the Middle East would provide support to the bullions. Meanwhile, better than expected economic numbers from US could limit its upside. Forecast of rise in ISM service PMI data and steady jobless claims report would check any major upside in the yellow metal. A strong put base near \$2600 would act as key support for the yellow metal. Similarly higher OI concentration at \$2700 call strike would act as immediate resistance for price.
- MCX Gold December is expected to hold the key support at 75600 and move higher towards 76,600. Formation a bullish engulfing pattern on the daily charts would support the yellow metal to trade higher.
- MCX Silver December is expected to hold the 10 day EMA support near 90,800 and move towards 93,200. Only close below 90,000 it would slide towards 89,200.

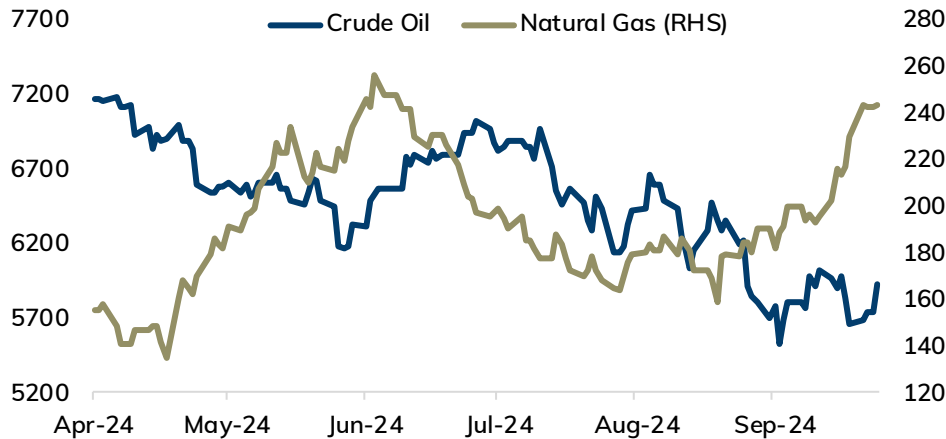
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with bullish bias amid hopes of demand improvement. Further hopes of lower interest rates would also increase demand hopes. Meanwhile, increasing supplies from major mines in the world may limit any major up move in the metal. Latest report from the International Copper Study group indicated surplus of copper in this year which may hurt the bullish outlook of the red metal.
- MCX Copper October is expected to hold the support near 848 and move back towards 862. Only a move above 862 it would open the doors towards 868.
- MCX Aluminium is expected to slip towards 234, as long as it stays under 242. Formation of bearish engulfing pattern on the daily charts would limit its upside. Above 242, it would negate the pattern and open the doors towards 245.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to move higher amid supply concerns as growing tension in the Middle East would likely to disrupt supply from the major suppliers. Meanwhile, higher supplies from US and enough capacity from OPEC to compensate for a full loss of Iranian supply would limit its upside. Further, increasing OI in ATM and OTM put strikes indicates prices may find strong support near the \$68 mark. Further, focus will remain key economic numbers from US and Europe which could bring further clarity in price trend.
- MCX Crude oil October is expected to hold the support of 5800 and move towards 6070. A move above 6070 would open the doors towards 6180.
- MCX Natural gas October is expected to hold the support near 237 and rise towards 250. Above 250 it would rally towards 258. Supply disruption from the Gulf of Mexico would provide support to prices.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	75077	75734	76161	76818	77245
Silver	90005	90690	91545	92230	93085
Copper	851.3	859.5	866.0	874.2	880.7
Aluminium	237.9	239.6	241.2	242.9	244.5
Zinc	281.3	282.9	284.0	285.7	286.8
Lead	184.4	184.4	184.4	184.4	184.4
Crude Oil	5382	5659	5853	6130	6324
Nat Gas	233	238	243	248	252

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	83.88	83.90	83.92	83.94	83.95
US\$INR (Nov)	83.97	84.00	84.02	84.05	84.07
EURINR (Oct)	92.81	93.00	93.33	93.52	93.84
EURINR (Nov)	93.25	93.32	93.48	93.55	93.71
GBPINR (Oct)	111.34	111.58	111.94	112.18	112.54
GBPINR (Nov)	112.29	112.10	112.29	112.10	112.29
JPYINR (Oct)	58.17	58.40	58.53	58.75	58.89
JPYINR (Nov)	58.72	58.82	58.72	58.82	58.72

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.78	100.38	0.40%
US\$INR	83.80	83.70	0.12%
EURUSD	1.1135	1.1162	-0.24%
EURINR	93.77	93.41	0.38%
GBPUSD	1.3375	1.3374	0.01%
GBPINR	112.24	112.02	0.20%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.750	6.761	-0.01
US	3.781	3.751	0.03
Germany	2.123	2.133	-0.01
UK	4.003	3.977	0.03
Japan	0.861	0.854	0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
02-10-2024	8:00 PM	3.9M	-1.5M
25-09-2024	8:00 PM	-4.5M	-1.6M
18-09-2024	8:00 PM	-1.6M	-0.2M
11-09-2024	8:00 PM	0.8M	0.9M
05-09-2024	8:30 PM	-6.9M	-0.6M
28-08-2024	8:00 PM	-0.8M	-2.7M
21-08-2024	8:00 PM	-4.6M	-2.0M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	300275	100	0.03%
Aluminium	787950	-2500	-0.32%
Zinc	248750	-1125	-0.45%
Lead	199125	0	0.00%
Nickel	131178	0	0.00%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, September 30, 2024						
7:00 AM	China	Manufacturing PMI	49.8	49.4	49.1	High
7:00 AM	China	Non-Manufacturing PMI	50	50.4	50.3	Medium
7:15 AM	China	Caixin Manufacturing PMI	49.3	50.5	50.4	High
7:15 AM	China	Caixin Services PMI	50.3	51.6	51.6	Medium
All Day	Europe	German Prelim CPI m/m	0.00%	0.10%	-0.10%	Medium
7:15 PM	US	Chicago PMI	46.6	46.1	46.1	Medium
11:25 PM	US	Fed Chair Powell Speaks	-	-	-	Medium
Tuesday, October 01, 2024						
5:20 AM	Japan	Tankan Manufacturing Index	13	12	13	Medium
2:30 PM	Europe	CPI Flash Estimate y/y	1.80%	1.90%	2.20%	High
7:30 PM	US	ISM Manufacturing PMI	47.2	47.6	47.2	High
7:30 PM	US	JOLTS Job Openings	8.04M	7.64M	7.67M	High
Wednesday, October 02, 2024						
All Day	All	OPEC-JMMC Meetings	-	-	-	High
5:45 PM	US	ADP Non-Farm Employment Change	143k	124K	99K	High
8:00 PM	US	Crude Oil Inventories	3.9M	-1.5M	-4.5M	Medium
Thursday, October 03, 2024						
6:00 PM	US	Unemployment Claims	-	221K	218K	High
7:30 PM	US	ISM Services PMI	-	51.6	51.5	High
7:30 PM	US	Factory Orders m/m	-	0.10%	5.00%	Medium
8:00 PM	US	Natural Gas Storage	-	-	47B	Medium
Friday, October 04, 2024						
2:00 PM	UK	Construction PMI	-	53.1	53.6	Medium
6:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.40%	High
6:00 PM	US	Non-Farm Employment Change	-	144K	142K	High
6:00 PM	US	Unemployment Rate	-	4.20%	4.20%	High



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