

April 26, 2024

Daily Currency & Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	May	Buy	852-853	860	848	Intraday

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News and Developments

- Spot gold prices trimmed its earlier gains amid higher US treasury yields but prices managed to settle higher after the US advance GDP numbers indicated slower growth in the first quarter. Meanwhile, rise in advance GDP price index the broadest inflationary indicator raised the bets that Fed would not cut the rates before September.
- Dollar index gave up early gains on stagflation concerns. US advance GDP numbers indicated slower growth, along with persistent price pressure. The US economy expanded at an annualized 1.6% in Q1 2024, the lowest growth in about two years. Meanwhile, rise of core PCE prices in the first quarter by 3.7% diminished the hopes of early rate cut and supported the dollar to hold above 105.55.
- 10 year US treasury yields moved higher and hit 4.73% and the 2 year US treasury yields rallied above the 5.0%.
- NYMEX crude oil prices recovered from its early losses amid tension in the Middle East and softness in the dollar. Earlier it traded lower as slower growth in US raised demand concerns, but comments from the US treasury secretary eased the growth concerns and supported the oil to settle above the \$83 mark. Furthermore, persistent tension between Israel and Hamas supported the oil prices to stay higher.
- Copper prices traded higher amid supply concerns and fund buying. Entry of new funds into the metal space amid hopes of higher demand from the renewable energy sector has strengthened the bullish bets.
- Natural gas futures lost almost 1% and hit its lowest level in over two months amid bigger than expected storage build and forecast of reduced heating demand. The latest EIA report showed, US utilities added 92 billion cubic feet (bcf) of gas into storage last week, the biggest rise in six months, against market expectations of an 87 bcf increase.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71214	0.23%	2332.46	0.70%
Silver	80684	0.23%	27.43	1.00%
Copper	848.4	0.63%	9865.00	0.94%
Aluminium	248.5	2.24%	2563.50	-1.52%
Zinc	250.6	2.33%	2848.00	1.53%
Lead	187.8	0.13%	2207.50	0.50%
WTI Crude Oil	6911	0.32%	83.57	0.92%
US Nat Gas	165.3	-1.61%	1.64	-0.91%

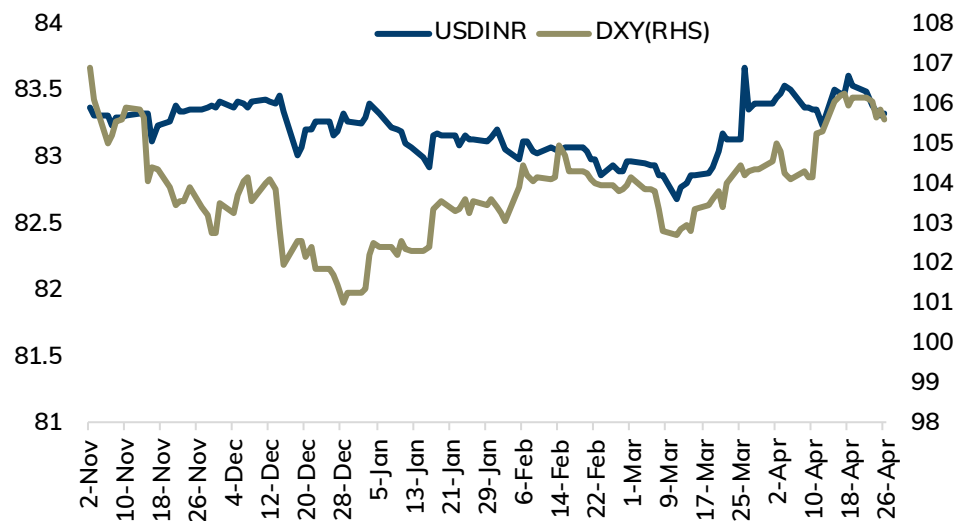
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.33	0.01%	1589509	-483263	1052257	101474
EURINR (26th Apr)	89.30	0.33%	24352	-3080	10039	4457
GBPINR (26th Apr)	104.17	0.50%	23618	-9886	20333	12753

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	May	Buy	6800-6810	6950	6740	Not initiated

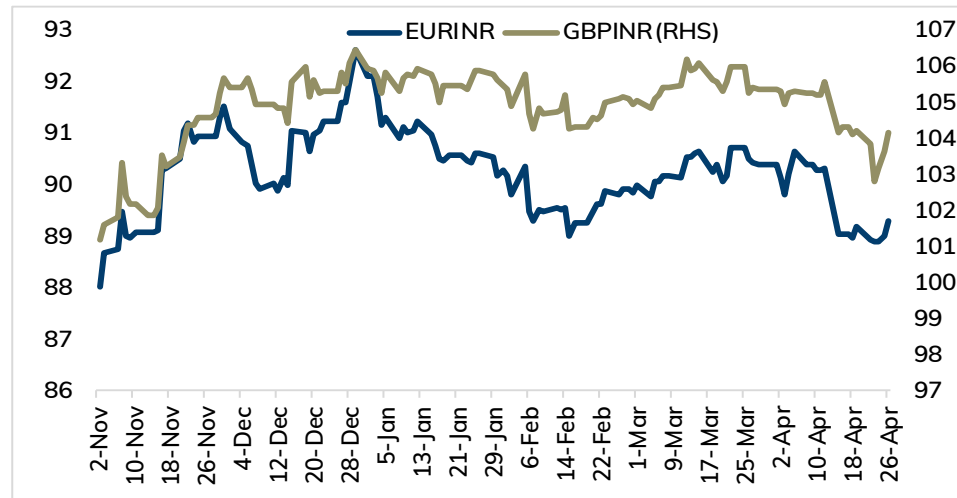
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee ended largely unchanged as investors remained cautious ahead of slew of economic data from US to gauge economic health of the country and get fresh cues on rate trajectory. While, optimistic domestic market sentiments and soft dollar lent support to rupee
- Rupee is likely to depreciate today amid expectation of rise in US dollar and surge in treasury yields. Yields are moving north as data showed price pressure elevated more than expected in the first quarter despite of growth seen weaker than anticipated. Core PCE rose by 3.7% in Q1 CY24 above expectations for a 3.4% increase. Investors fear that rise in inflation print for first quarter, signals today's PCE number will be higher. Additionally, surge in crude oil prices will hurt rupee. USDINR May likely to find support near 83.30 level (50-Day EMA) and rise towards 83.50 level.

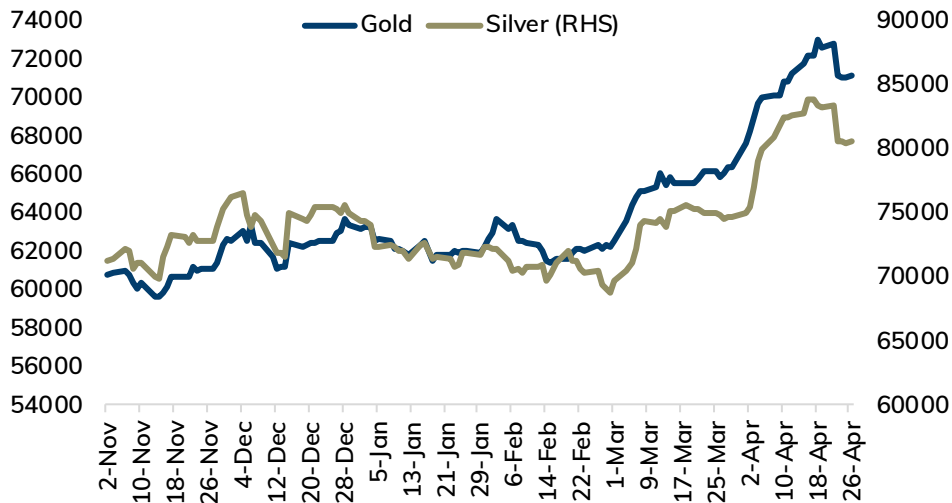
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro rallied by 0.29% yesterday amid weakness in dollar and upbeat economic data from euro zone. German May GfK consumer confidence index rose more than expected to a 2-year high. Additionally, hawkish comments from ECB governing council members supported single currency. For today, EURUSD is likely to face the resistance near 1.0740 level and slip towards immediate support level of 1.0700 levels (10-Day EMA) amid subdued global market sentiments. If pair breaks 1.0700 level then it may weaken further towards 1.0670 level. EURINR May is likely to slip towards 89.15 levels as long as it trades below 89.60 levels.
- Pound is expected to face stiff resistance near 1.2540 level and slip back towards 1.2470 level (10-Day EMA) amid expectation of rise in dollar ahead of PCE price index data from US. Moreover, investors are assessing the BoE's monetary policy path after recent mixed signals from policymakers. GBPINR May is likely to move south towards 104.10 level as long as it stays below 104.70 level

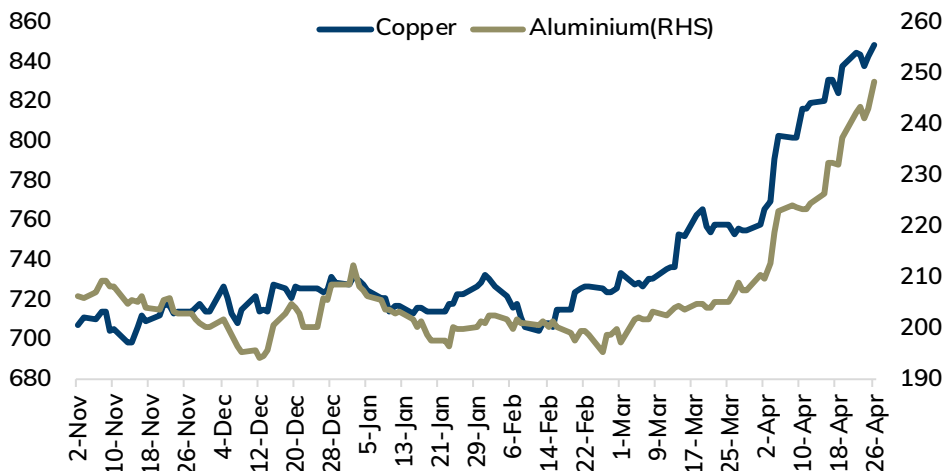
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to face the hurdle near \$2350 and move towards the psychological support at \$2300 amid higher treasury yields and reduced safe haven demand. Forecast of sticky inflation numbers in US could force the Fed to hold the rate higher for longer. The US PCE price index data is expected to stay above the previous reading of 2.5% YoY. Furthermore, positive risk sentiments and diminishing probability of rate cut would limit the upside in the bullions. June rate cut probability has almost vanished and dipped below the 10% for the first time.
- MCX Gold June is expected to face the hurdle near 71800 and move lower towards 70600. Only close below 70600, it would turn weaker and slide further towards 70000.
- MCX Silver May is expected to face the resistance at 82000 and move lower towards 79500. Only a move below 79500, it would open the doors towards 78200.

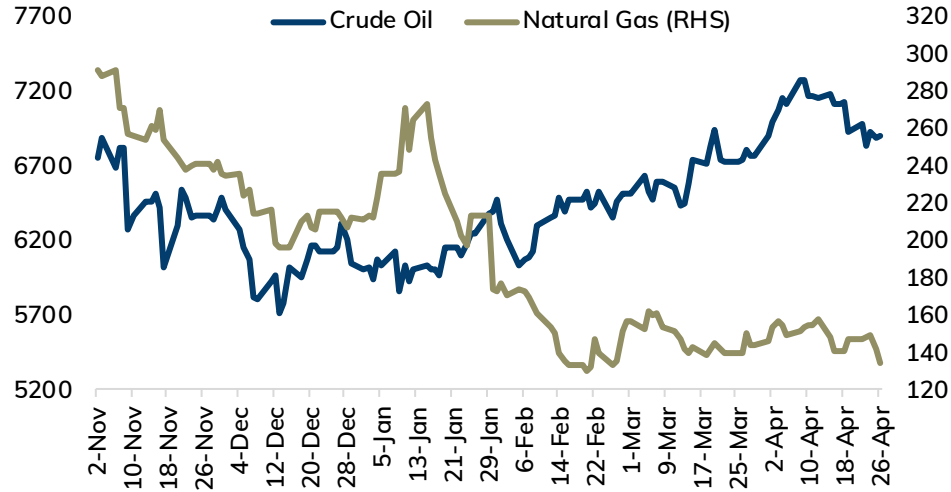
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are likely to make new highs amid tight supplies and demand optimism. Strong inflow of money through investment funds would support the prices. Further, forecast of potential deficit in the refined copper market this year and higher demand from the EV space would also raise bullish bets on the metal space. Moreover, growing optimism of fresh round of stimulus from China to boost the economy would help the metal to stay higher. Meanwhile, higher interest rates for longer period by the Fed could restrict its upside.
- For the day MCX Copper May is expected to find support near 850 and move towards 860. Only close above 860 it would rise towards 868.
- Aluminum is expected to find the support near 232 and move higher towards 238. Only close below 232 would weaken towards 230 mark.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade with a positive bias and remain in the range of \$82 and \$85 amid supply risk as the conflict in the Middle East continued to provide support. Investors remained cautious as continuous attack by Israel could lead to wider regional conflict and hurt the oil supplies. Further, hopes of better demand from US ahead of summer driving season would provide necessary support to the oil prices. Meanwhile, focus will shift towards the US inflation numbers, which would bring more clarity on the timing of the Fed rate cut. A higher for longer interest rate would support the dollar to stay higher and restrict any major upside in the oil prices.
- MCX Crude oil May future is likely to hold the support near 6800 and move back towards 7000. Only a sustained move above 7000 it would rise towards 7100 mark.
- MCX May future is expected to face the hurdle near 172 and move lower towards 160.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70193	70703	71142	71652	72091
Silver	79079	79882	80504	81307	81929
Copper	838.2	843.3	847.1	852.2	856.1
Aluminium	233.9	241.2	246.9	254.2	259.9
Zinc	243.1	246.8	249.8	253.5	256.5
Lead	186.1	187.0	188.4	189.3	190.7
Crude Oil	6796	6853	6900	6957	7004
Nat Gas	159	162	165	168	170

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	83.25	83.29	83.34	83.38	83.44
US\$INR (May)	83.26	83.33	83.43	83.50	83.60
EURINR (Apr)	88.88	89.09	89.22	89.43	89.56
EURINR (May)	89.12	89.29	89.40	89.57	89.67
GBPINR (Apr)	103.62	103.89	104.07	104.34	104.52
GBPINR (May)	104.12	104.31	104.45	104.64	104.78
JPYINR (Apr)	53.49	53.55	53.64	53.70	53.79
JPYINR (May)	54.11	54.17	54.22	54.28	54.33

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.60	105.86	-0.24%
US\$INR	83.33	83.32	0.01%
EURUSD	1.0730	1.0699	0.29%
EURINR	89.38	89.03	0.39%
GBPUSD	1.2514	1.2464	0.40%
GBPINR	104.27	103.55	0.69%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.205	7.185	0.02
US	4.704	4.642	0.0622
Germany	2.630	2.588	0.042
UK	4.362	4.334	0.028
Japan	0.899	0.905	-0.006

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
25-04-2024	8:00 PM	-6.4M	1.6M
17-04-2024	8:00 PM	2.7M	1.6M
10-04-2024	8:00 PM	5.8M	0.9M
03-04-2024	8:00 PM	3.2M	-0.3M
27-03-2024	8:00 PM	3.2M	-0.7M
20-03-2024	8:00 PM	-2.0M.	-0.9M
13-03-2024	8:00 PM	-1.5M	0.9M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	120400	175	0.15%
Aluminium	494875	-1675	-0.34%
Zinc	254500	-600	-0.24%
Lead	266950	1725	0.65%
Nickel	77622	744	0.97%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 22, 2024						
6:45 AM	China	1-y Loan Prime Rate	3.45%	3.45%	3.45%	Medium
6:45 AM	China	5-y Loan Prime Rate	3.95%	3.95%	3.95%	Medium
7:30 PM	Europe	Consumer Confidence	-15	-14	-15	Medium
Tuesday, April 23, 2024						
12:45 PM	Europe	French Flash Manufacturing PMI	44.9	46.9	46.2	High
1:00 PM	Europe	German Flash Manufacturing PMI	42.2	42.8	41.9	High
1:30 PM	Europe	Flash Manufacturing PMI	45.6	46.5	46.1	Medium
2:00 PM	UK	Flash Manufacturing PMI	48.7	50.3	50.3	High
7:15 PM	US	Flash Manufacturing PMI	49.9	52	51.9	High
7:15 PM	US	Flash Services PMI	50.9	52	51.7	High
7:30 PM	US	New Home Sales	693K	668K	662K	Medium
7:30 PM	US	Richmond Manufacturing Index	-7	-7	-11	Medium
Wednesday, April 24, 2024						
1:30 PM	Europe	German ifo Business Climate	89.4	88.9	87.8	Medium
6:00 PM	US	Core Durable Goods Orders m/m	0.20%	0.30%	0.30%	Medium
6:00 PM	US	Durable Goods Orders m/m	2.60%	2.50%	1.30%	Medium
8:00 PM	US	Crude Oil Inventories	-6.4M	1.7M	2.7M	Medium
Thursday, April 25, 2024						
6:00 PM	US	Advance GDP q/q	1.60%	2.50%	3.40%	High
6:00 PM	US	Unemployment Claims	207K	215K	212K	High
7:30 PM	US	Pending Home Sales m/m	3.40%	0.90%	1.60%	High
8:00 PM	US	Natural Gas Storage	92B	87B	50B	Medium
Friday, April 26, 2024						
Tentative	Japan	BOJ Policy Rate	-	<0.1%	<0.1%	High
6:00 PM	US	Core PCE Price Index m/m	-	0.30%	0.30%	High
7:30 PM	US	Revised UoM Consumer Sentiment	-	77.8	77.9	High



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