

August 26, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	September	Buy	6280-6290	6450	6200	Intraday

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News and Developments

- Gold prices regained its strength and rose more than 1% on Friday after the US Fed Chair Jerome Powell delivered a clear signal that the central bank is due to lower interest rates in its upcoming meeting. Further, weakness in the dollar and US treasury yields also strengthened the bullions to trade higher.
- Dollar index hit its lowest level since December 2023 after Federal Chair Jerome Powell clearly mentioned to lower the rates next month amid rising unemployment rate and cooling inflation in US. However, he didn't mentioned the quantum of cut in the September 18 meeting.
- US 10-year US treasury yields traded near its 1-year lows on Friday and settled at 3.80% and 2-year yields settled at 3.92% amid increasing bets of lower rates in the coming quarter.
- NYMEX crude oil prices extended its rebound and marked a gain of more than 2% amid weak dollar and improved risk appetite after Fed chair confirmed for rate cut in September. Further, better than expected July US new home sales numbers which hit highest in 14-months (739,000) also supported prices. Moreover, escalating tension in the Middle East has raised the supply concerns and pushed oil prices towards \$75.
- Copper prices traded higher on Friday amid weakness in the dollar and improved risk appetite in global equities. Further, better than expected US new home sales numbers and drop in weekly SHFE copper inventory also supported the metals to trade higher
- NYMEX natural gas prices extended its weakness on Friday amid rise in inventory levels in US.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71777	0.82%	2512.59	1.12%
Silver	85211	1.76%	29.82	2.86%
Copper	799.2	0.65%	9288.50	1.73%
Aluminium	229.8	2.27%	2542.00	2.50%
Zinc	267.3	0.74%	2912.00	1.89%
Lead	189.5	0.05%	2117.00	3.12%
WTI Crude Oil	6293	2.19%	74.83	2.49%
US Nat Gas	168.9	-2.26%	2.02	-1.51%

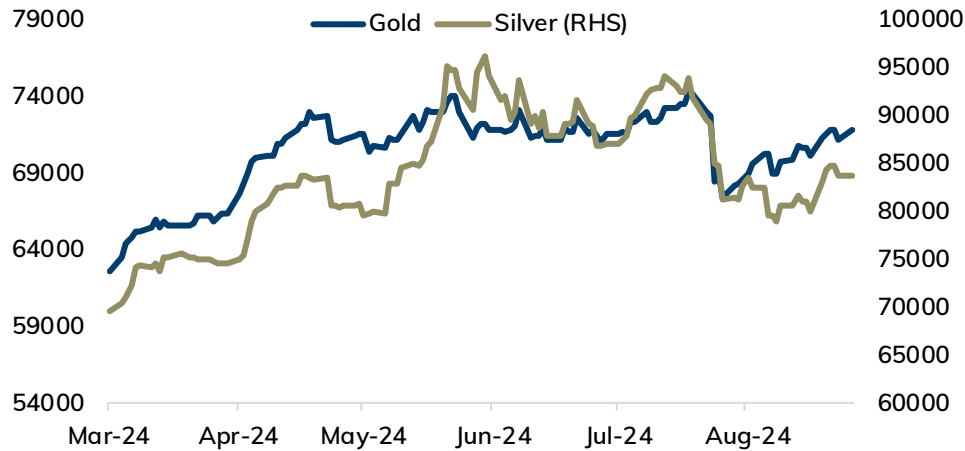
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th August)	83.92	-0.04%	2768727	-198284	307915	217712
EURINR (28th August)	93.31	-0.22%	21868	-1865	3958	181
GBPINR (28th August)	110.12	-0.05%	24886	-1114	3245	-268

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	Sepetembe	Sell	187-188	178	194	Not initiated

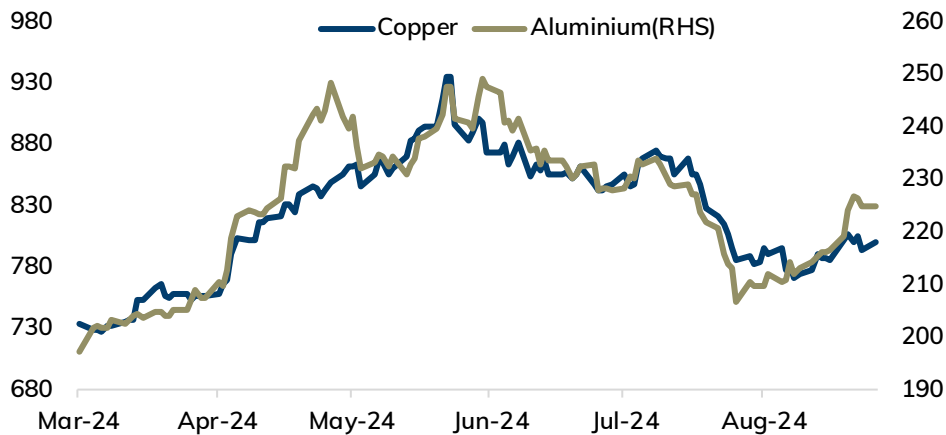
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to extend its rise towards \$2550 amid increasing bets of loose monetary policy from major central banks. Dovish comments from ECB president and Fed Chair Jerome Powell is going to support the bullions to regain its strength. Further, escalating geopolitical tension in the Middle East would increase the safe haven bids and push the prices higher. Increasing bullish bets as indicated by the CFTC net longs, which hit its highest mark since March 2024 would strengthen the yellow metal to trade higher.
- MCX Gold Oct is expected to hold the support near 71,200 (20 DEMA) and rise towards 72,300. Only above 72,300 it would rise towards 72,800.
- Spot silver is expected to rise towards \$30.00, as long as it holds above \$29.00. Only close above \$30.00 it would open the doors towards \$30.80. MCX Silver September is expected to hold the support near 83,800 and rise back towards 86,000. A move above 86,000 it would rise towards 87,400.

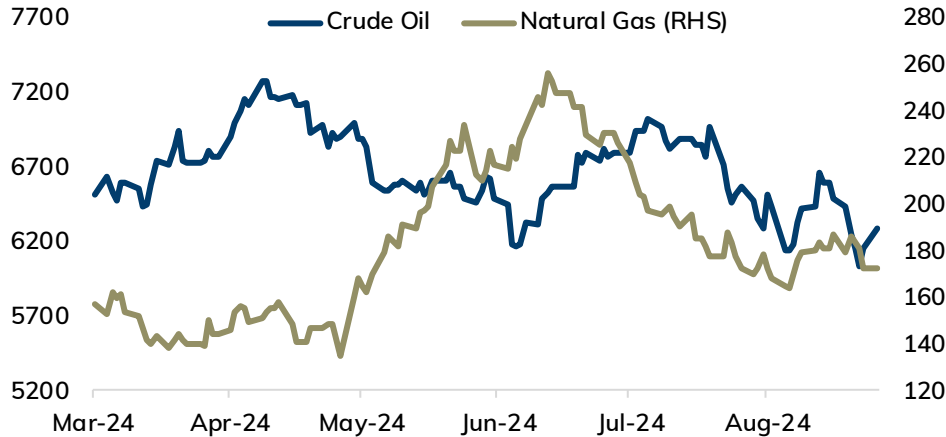
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to hold its gains and trade higher amid softness in the dollar. Dovish comments from the major central bankers, particularly from the US Fed Chair Powell increased the hopes of lower interest rates in coming month. Further, drop in SHFE stocks indicates improvement in local demand which could also support the metal prices to trade higher. Meanwhile, rising inventory levels at LME, contraction in the manufacturing activities in US and Europe and lower property prices in China would check any major upside in the metal prices.
- MCX Copper September is expected to hold the support of 10 DEMA at 801 and extend its rise towards 816. A move above 816 would open the doors towards 821.
- MCX Aluminium is expected to hold its gains and rise towards 233, as long as it trade above 225.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to extend its rebound and move towards \$77 mark amid fears of broadening Middle East conflicts. Fear of supply disruption and weakness in the dollar would support the oil prices to hold firm. Further, increasing bets of lower interest rates and improved risk appetite in the global equities would strengthen bullish bets. Meanwhile, slower economic growth in China would limit the upside in price. NYMEX Crude oil is likely to rise towards \$77, as long as it holds above \$74. Closer of OI of ATM and OTM call strikes indicates higher prices. Further, higher OI concentration near the \$75 strike Put indicates strong support for price.
- MCX Crude oil Sep is likely to rise towards 6450, as long as it holds above 6200. Reversal in the RSI indicates change in momentum.
- MCX Natural gas September is likely to move lower towards 176, as long as it remains under 188 mark. Rising gas inventories and lower cooling demand would weigh on the gas prices.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71035	71406	71673	72044	72311
Silver	83384	84298	84821	85735	86258
Copper	793.1	796.1	798.4	801.4	803.7
Aluminium	222.7	226.3	228.3	231.8	233.8
Zinc	263.5	265.4	266.9	268.8	270.3
Lead	188.4	189.0	189.7	190.3	191.0
Crude Oil	6075	6184	6243	6352	6411
Nat Gas	165	167	170	172	175

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	83.83	83.87	83.91	83.95	83.98
US\$INR (Sep)	83.89	83.94	84.00	84.05	84.10
EURINR (Aug)	93.05	93.18	93.34	93.47	93.63
EURINR (Sep)	93.08	93.15	93.27	93.35	93.47
GBPINR (Aug)	109.54	109.83	110.04	110.33	110.54
GBPINR (Sep)	109.28	109.63	109.87	110.22	110.46
JPYINR (Aug)	56.88	57.05	57.32	57.50	57.77
JPYINR (Sep)	57.37	57.43	57.57	57.63	57.77

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.72	101.51	-0.78%
US\$INR	83.90	83.95	-0.06%
EURUSD	1.1192	1.1112	0.72%
EURINR	93.28	93.52	-0.25%
GBPUSD	1.3214	1.3091	0.94%
GBPINR	110.15	110.19	-0.04%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.859	6.853	0.00
US	3.799	3.852	-0.01
Germany	2.225	2.244	-0.01
UK	3.912	3.960	-0.01
Japan	0.900	0.877	0.03

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
8/21/2024	8:00 PM	-4.6M	-2.0M
8/14/2024	8:00 PM	1.4M	-1.9M
8/7/2024	8:00 PM	-3.7M	-1.6M
7/31/2024	8:00 PM	-3.4M	-1.6M
7/24/2024	8:00 PM	-3.7M	-2.6M
7/17/2024	8:00 PM	-4.9M	-0.9M
7/10/2024	8:00 PM	-3.4M	0.7M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	315575	-4125	-1.29%
Aluminium	870950	-3500	-0.40%
Zinc	256050	-800	-0.31%
Lead	180900	-1575	-0.86%
Nickel	116616	654	0.56%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, August 26, 2024						
1:30 PM	Europe	German ifo Business Climate	-	86	87	Medium
6:00 PM	US	Durable Goods Orders m/m	-	4%	-6.70%	Medium
Tuesday, August 27, 2024						
6:30 PM	US	S&P/CS Composite-20 HPI y/y	-	6.90%	6.80%	Medium
7:30 PM	US	CB Consumer Confidence	-	100.2	100.3	High
7:30 PM	US	Richmond Manufacturing Index	-	-14	-17	Medium
Wednesday, August 28, 2024						
10:45 AM	US	FOMC Member Waller Speaks	-	-	-	Medium
11:30 AM	Europe	German GfK Consumer Climate	-	-18.1	-18.4	Medium
8:00 PM	US	Crude Oil Inventories	-	-	-4.6M	Medium
Thursday, August 29, 2024						
All Day	Europe	German Prelim CPI m/m	-	0.00%	0.30%	High
6:00 PM	US	Prelim GDP q/q	-	2.80%	2.80%	High
6:00 PM	US	Unemployment Claims	-	234K	232K	High
7:30 PM	US	Pending Home Sales m/m	-	0.20%	4.80%	Medium
8:00 PM	US	Natural Gas Storage	-	-	35B	Medium
Friday, August 30, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	-	2.20%	2.20%	Medium
2:00 PM	UK	Net Lending to Individuals m/m	-	3.4B	3.8B	Medium
2:30 PM	Europe	CPI Flash Estimate y/y	-	2.20%	2.60%	High
6:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.20%	High
6:00 PM	US	Personal Spending m/m	-	0.50%	0.30%	Medium
7:15 PM	US	Chicago PMI	-	44.4	45.3	Medium
7:30 PM	US	Revised UoM Consumer Sentiment	-	67.9	67.8	Medium



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