

September 19, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	October	Sell	5870-5880	5700	5960	Intraday

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News and Developments

- Spot gold hit fresh all time high at \$2600 mark after the US Federal Reserve cut the interest rate by 50 bps and projected for another 50 bps reduction by the end of the year. However, gold price gave up its gains when Fed Chair Powell said the Fed was in no rush to ease monetary policy.
- Dollar index hit its lowest level in 14-months after the surprise 50 bps interest rate cut by the Fed. The dollar was also undercut after the Fed cut its 2024 GDP forecast and core PCE price forecast. However, it recovered from its multi month lows after Fed Chair Powell commented that the Fed is not in rush to ease monetary policy.
- The FOMC cut its 2024 US GDP forecast to 2.0% from 2.1% in June and cut its 2024 core PCE estimate to 2.6% from 2.8% in June. The FOMC also raised its 2024 unemployment forecast to 4.4% from 4.0% in June.
- US treasury yields traded higher after the rate cut. 10-year yield rose by 6.6 bps to 3.706% and 2- year treasury yields settled at 3.62%.
- NYMEX crude oil prices traded lower amid demand concerns from China as two major refineries in China declared bankruptcy due to lackluster demand and poor refinery margins. Prices failed to minimize its losses despite the drawdown in weekly inventory data. Last week crude oil inventories fell by 1.6 Million barrels. Meanwhile, gasoline and distillate rose slightly last week.
- Base metals remained in a tight range as most investors remained cautious ahead of the key FOMC meeting. Further, holiday closure in China this week is also causing a choppy movement in the base metal sector.
- NYMEX natural gas retreated from 2-month high amid improved output and forecast of fewer warmer than normal weather.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	73055	-0.05%	2558.91	-0.41%
Silver	88299	-0.94%	30.08	-2.02%
Copper	809.0	0.12%	9400.50	0.33%
Aluminium	230.8	0.35%	2536.50	0.50%
Zinc	266.6	-0.36%	2886.00	-1.37%
Lead	184.0	0.55%	2037.50	0.97%
WTI Crude Oil	5840	-1.05%	70.91	-0.39%
US Nat Gas	193.3	-1.63%	2.28	-1.72%

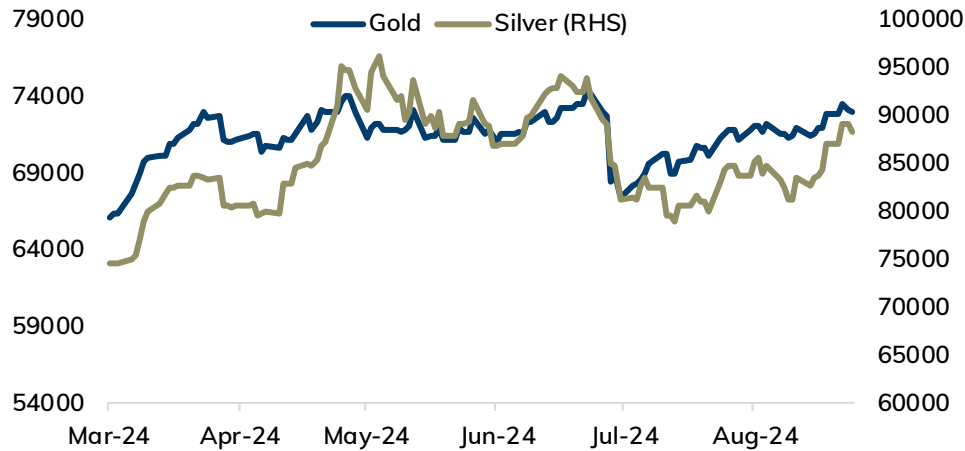
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th September)	83.81	-0.14%	2534099	-938	180060	104348
EURINR (26th September)	93.29	0.03%	40166	-425	1404	-40
GBPINR (26th September)	110.64	-0.08%	48274	-663	2678	576

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	October	Sell	5880-5900	5700	5980	Profit Booked

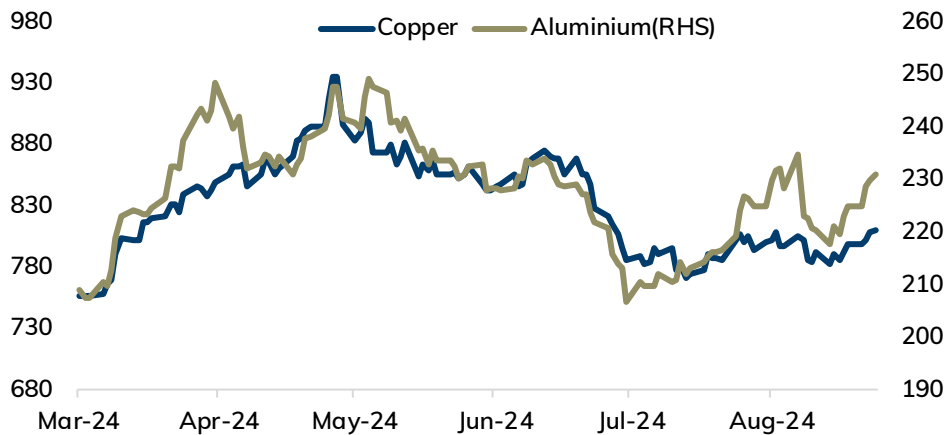
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to dip towards the key support at \$2530 amid strong dollar and reversal in the US treasury yields. Growing bets of soft landing in the US economy could limit its upside. Meanwhile, downward revision to growth and expectation of rise in unemployment rate could provide support to the bullions. Markets has almost factored in the 50 bps cut and looking for more data to get further clarity. Meanwhile, all focus will now remain on the BOE policy which could bring some volatility to prices. In Comex Gold highest OI concentration on the call side has been observed at 2600 strike, which could act as strong resistance for now.
- MCX Gold Oct is expected to dip towards 72,800 as long as it trades under 73,600. A move below 72,800 would weaken it towards 72,200.
- Spot silver is expected to face the hurdle near \$30.60 and move lower towards \$29.60. MCX Silver is expected to weaken further towards 87,200 as long as it trades under 89,500.

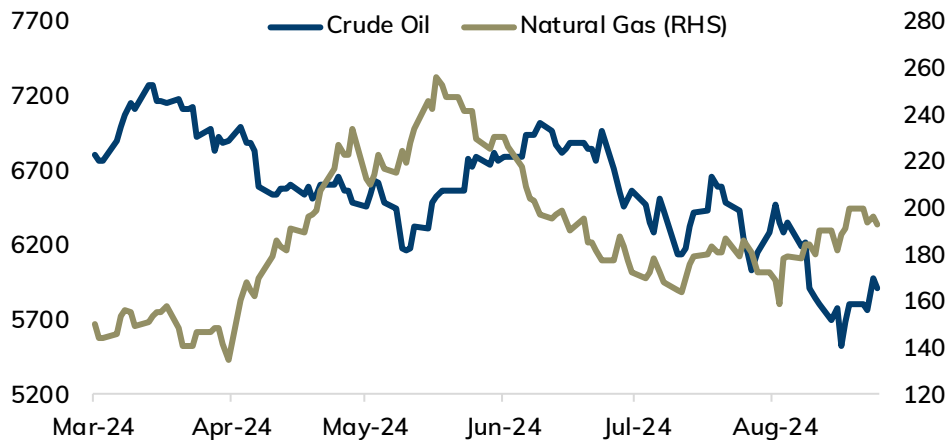
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to remain under pressure amid lackluster demand and disappointing economic numbers from China. Weakness in the housing industry and industrial production in China would hurt metal prices. Further, strong dollar and higher LME inventories would likely to weigh on the metal prices. On the other hand, increasing hopes of fresh round of stimulus from China to achieve its growth target would provide some support to prices.
- MCX Copper September is expected to face the hurdle near 815 and move lower towards 802. A move below 802 would weaken it towards 798.
- MCX Aluminium is expected to face the resistance at 234 and move towards 229. Only below 229 it would turn weaker.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to face the hurdle near \$72 mark and trade lower amid demand concerns from China. Slowdown in China's industrial production activity and refinery output to 5-month low indicates lower demand. Further, improved output from US Gulf cost aftermath of the hurricane would also check its upside. Further, downward revision in growth forecast could hurt demand outlook. Meanwhile, Supply disruption from Libya and escalating tension in the Middle East could limit its losses. On the upside higher OI concentration observed at \$70 call strike which would act as major resistance for price. Similarly \$65 would act as strong support for prices.
- MCX Crude oil October is likely face the resistance near 5960 and move lower towards 5700. A move below 5700 would open the downside towards 5600.
- MCX Natural gas September is expected to dip towards 190, as long as it trades under 204.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	72784	72920	73124	73260	73464
Silver	87449	87874	88547	88972	89645
Copper	798.4	803.7	807.6	812.9	816.9
Aluminium	225.7	228.2	230.0	232.5	234.3
Zinc	261.7	264.1	266.2	268.6	270.7
Lead	181.1	182.5	183.7	185.1	186.3
Crude Oil	5707	5774	5835	5902	5963
Nat Gas	186	190	194	198	203

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	83.63	83.72	83.82	83.91	84.01
US\$INR (Oct)	83.76	83.85	83.93	84.02	84.11
EURINR (Sep)	93.17	93.23	93.31	93.37	93.46
EURINR (Oct)	93.21	93.27	93.37	93.43	93.53
GBPINR (Sep)	110.51	110.57	110.70	110.76	110.89
GBPINR (Oct)	110.52	110.59	110.69	110.76	110.86
JPYINR (Sep)	59.35	59.46	59.65	59.75	59.95
JPYINR (Oct)	59.45	59.56	59.78	59.89	60.11

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.60	100.89	-0.30%
US\$INR	83.76	83.89	-0.16%
EURUSD	1.1119	1.1114	0.04%
EURINR	93.30	93.33	-0.03%
GBPUSD	1.3214	1.3161	0.40%
GBPINR	110.73	110.64	0.08%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.781	6.761	0.02
US	3.704	3.646	0.06
Germany	2.190	2.143	0.05
UK	3.847	3.768	0.08
Japan	0.829	0.829	0.00

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
9/11/2024	8:00 PM	0.8M	0.9M
9/5/2024	8:30 PM	-6.9M	-0.6M
8/28/2024	8:00 PM	-0.8M	-2.7M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	305250	-1250	-0.41%
Aluminium	813500	0	0.00%
Zinc	251850	4750	1.92%
Lead	204550	-450	-0.22%
Nickel	123726	0	0.00%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, September 16, 2024						
All Day	China	Bank Holiday	-	-	-	Medium
6:00 PM	US	Empire State Manufacturing Index	11.5	-4.1	-4.7	Medium
Tuesday, September 17, 2024						
All Day	China	Bank Holiday	-	-	-	Medium
2:30 PM	Europe	German ZEW Economic Sentiment	3.6	17.2	19.2	Medium
6:00 PM	US	Retail Sales m/m	0.10%	-0.20%	1.00%	High
6:45 PM	US	Industrial Production m/m	0.80%	0.10%	-0.60%	Medium
Wednesday, September 18, 2024						
11:30 AM	UK	CPI y/y	2.20%	2.20%	2.20%	High
6:00 PM	US	Building Permits	1.48M	1.41M	1.40M	Medium
8:00 PM	US	Crude Oil Inventories	-1.6M	-	0.8M	Medium
11:30 PM	US	Federal Funds Rate	5%	5.25%	5.50%	High
11:30 PM	US	FOMC Economic Projections	-	-	-	High
Thursday, September 19, 2024						
4:30 PM	UK	Official Bank Rate	-	5%	5%	High
6:00 PM	US	Unemployment Claims	-	232K	230K	High
6:00 PM	US	Philly Fed Manufacturing Index	-	-0.6	-7	Medium
7:30 PM	US	Existing Home Sales	-	3.89M	3.95M	Medium
8:00 PM	US	Natural Gas Storage	-	-	40B	Medium
Friday, September 20, 2024						
6:30 AM	China	1-y Loan Prime Rate	-	3.35%	3.35%	Medium
6:30 AM	China	5-y Loan Prime Rate	-	3.85%	3.85%	Medium
Tentative	Japan	BOJ Policy Rate	-	<0.25%	<0.25%	High
11:30 AM	UK	Retail Sales m/m	-	0.40%	0.50%	High



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