

April 12, 2024

# Daily Currency & Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	April	Buy	7070-7060	7200	7000	Intraday

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## News and Developments

- Spot Gold prices closed with a gain of more than 1.50% on Thursday amid safe haven buying and softer US producers price data. US PPI rose 0.2% last month compared with forecast of 0.3%. Prices also found support amidst higher safe haven bids due to the escalating tension in Middle East. Meanwhile, stronger dollar and higher bond yields capped its upside
- Dollar index gave up most its gains but edged higher after Wednesday's sharp rally amid mixed set of economic numbers from US. Higher US CPI numbers has lowered the probability of rate cut in June and pushed the dollar index towards 105.40.
- ECB in its latest policy meeting held the rates steady at 4.50%, but signaled for 25 bps rate cut in June as the inflation slows towards 2% target and sluggish growth in the economy.
- Yields on benchmark US 10-year treasury note moved higher to 4.58% and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower after testing its highest level in last four months to 4.95%
- Crude oil prices retreated from its five month high as strong dollar and weaker economic data from China outweighed supply concerns. Further, rise in US crude oil inventories also checked its upside. EIA data showed that US crude inventories increased by 5.8 million barrels last week, the most in two months.
- Copper prices eased from its 15-month high as stronger dollar and weak consumer inflation data from the top metal consumer China. Producer price data also remained on the weaker side as demand remained fragile.
- Natural gas prices lost more than 5% after the EIA data showed an inventory build of 24 bcf last week.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71644	0.54%	2372.52	1.65%
Silver	82847	0.28%	28.44	1.77%
Copper	816.6	-0.31%	9342.00	-0.34%
Aluminium	224.1	-0.13%	2454.00	-0.08%
Zinc	243.5	0.33%	2758.50	0.84%
Lead	187.5	-0.40%	2143.00	-1.47%
WTI Crude Oil	7109	-0.70%	85.02	-1.38%
US Nat Gas	147.7	-6.34%	1.76	-6.42%

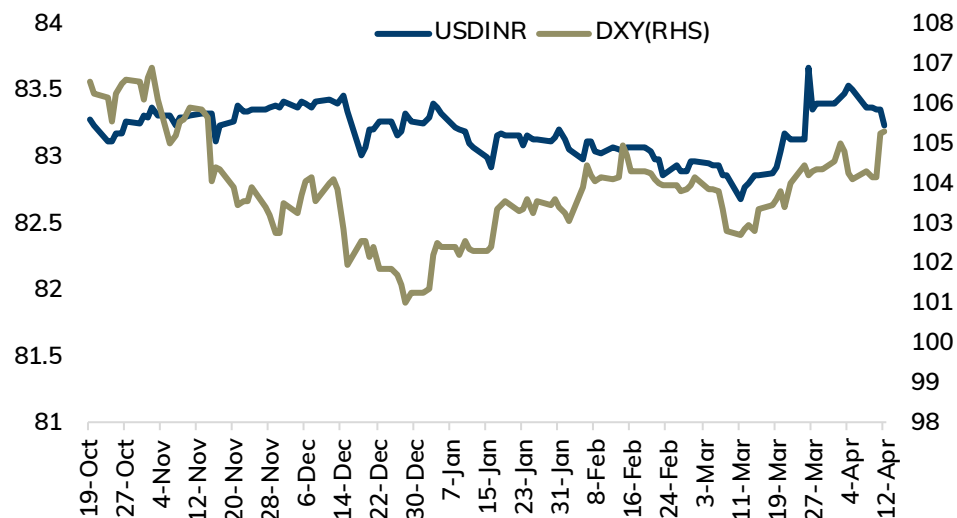
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.23	-0.16%	2323928	-25396	729330	269672
EURINR (26th Apr)	90.34	0.04%	41511	70	6305	2993
GBPINR (26th Apr)	105.59	0.35%	55816	10299	24029	2668

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	April	Buy	153-153.50	162	149	Not Initiated

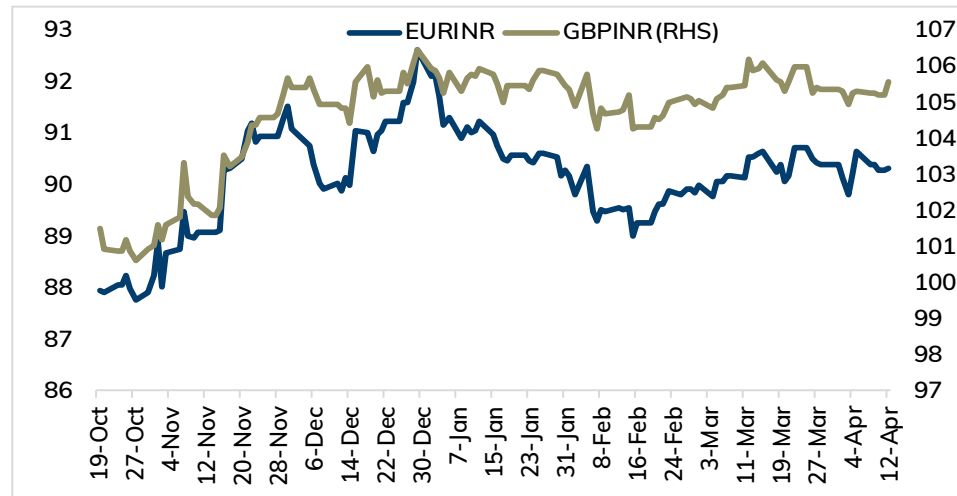
## Dollar Index vs. US\$INR



## Rupee Outlook

- Rupee moved in a very tight range on Wednesday as most investors awaited key US inflation numbers. Strong inflows into the domestic markets supported the rupee to settle near 83.20.
- Rupee is likely to depreciate today amid strength in the dollar and US treasury yields. Higher US inflation numbers has lowered the probability of June rate cut. The CME Fed watch tool suggest a probability of 83% for no rate cut in June against 34% a week ago. Meanwhile, strong inflows and higher forex reserves will limit the downside in rupee. USDINR April likely to hold the support near 83.20 level (20-Day EMA) and move towards immediate resistance of 83.45 level, a sustain break above 83.45 level pair may rise further towards 83.55 level.

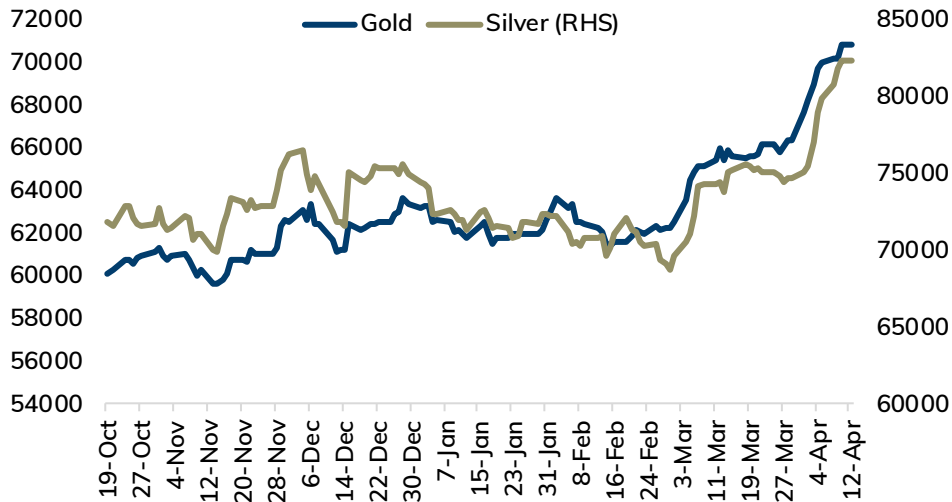
## EURINR vs. GBPINR



## Euro and Pound Outlook

- Euro traded lower and hit a two-month low on Thursday after ECB statement. ECB held the rates steady and signaled for a 25 bps rate cut in June. For today, EURUSD is likely to fall towards 1.0670 level as long as it stays below 1.076 level amid strength in dollar. Further, investors will keep an eye on inflation numbers from Germany and France. EURINR April may decline towards 89.20 level as long as it trades under the 50 day SMA at 90.00 level .
- Pound took a pause after its sharp decline from the 1.27 mark. It is expected to move towards 1.25 level, amid strong dollar and sluggish growth in the region. Expectation of slower growth would hurt the pair. GBPINR April is likely to slip towards 104.30 level as long as it trades under the 104.90 (100-Day EMA). A sustain move below 104.30 level would open doors for 104.00 level

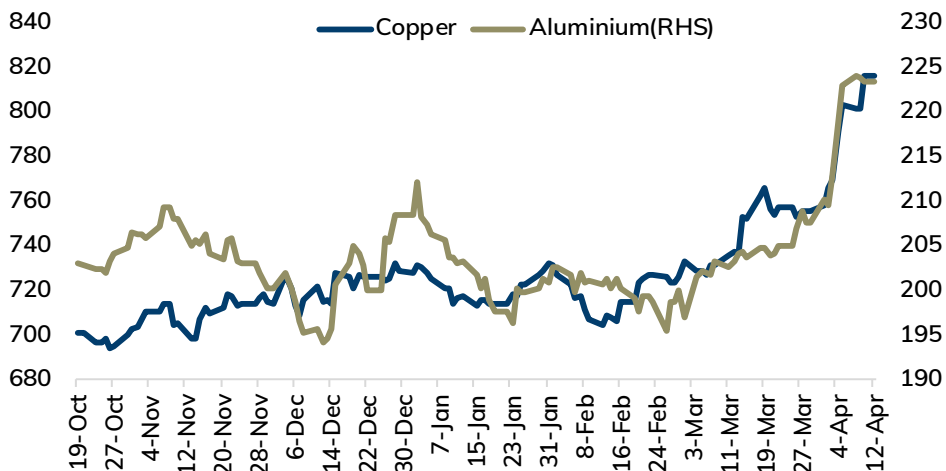
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to hold its gains and trade with the positive bias amid safe haven buying and increasing bets that other central banks except US Fed will change their monetary policy stance. Escalating geopolitical risk in the Middle East amid growing tension between Israel and Iran would support the bullion to trade higher. Spot gold prices likely to rise towards \$2410 levels as long as it stays above immediate support near \$2330 level. Meanwhile, fading hopes of June rate cut and hawkish comments from the Fed members would limit its upside. Only, close below \$2325 level it may correct towards its psychological support of \$2300 level
- MCX Gold June is likely to rise further towards 72,200 level as long as it stays above 71,000 level. A break above 72,200 level prices may push the price towards 72,600 level. On the contrary, close below 71,000 level it may correct towards its immediate support of 70500 level.
- MCX Silver May is expected to rise towards 84,500 level as long as it sustains above 82,000 level.

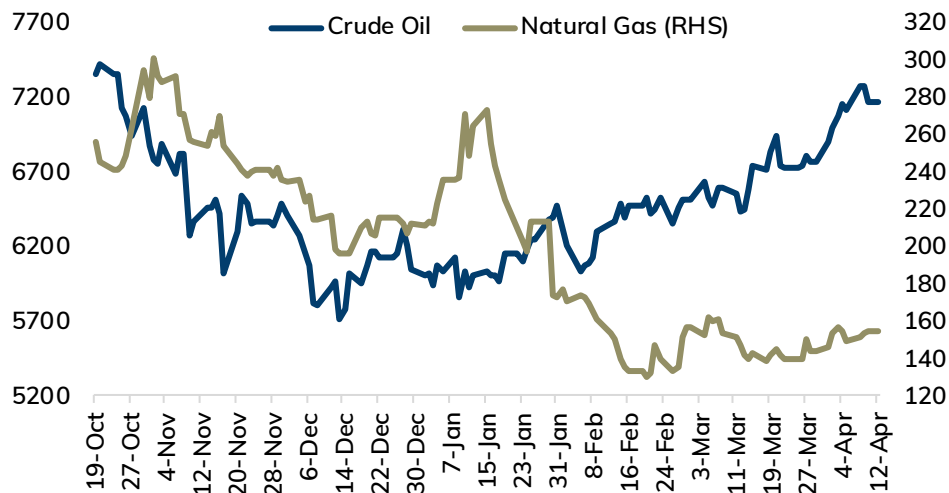
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices expected to take a pause its rally and trade with negative bias amid strong dollar. Further, sluggish growth in the top metal consumer China and expectation of weaker trade balance numbers could limit its upside. Meanwhile, tighter supplies would limit major downside in the base metals
- MCX Copper is expected to move south towards 811 level as long as it stays below 825 level. A break below 811 would open doors for 804 levels. On the contrary, a sustain close above 825 levels prices may rise towards 830 levels
- Aluminum is expected to face hurdle near 226.20 levels and slip back towards 221 level

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to move back towards \$86.30 level as long as it trades above \$84.50 level amid heightened tension in the Middle-East, which could risk disruption to supply from the oil producing region. However, sharp upside may be limited amid strong dollar and expectation of weak economic numbers from China. Moreover, rise in US inventories last week also raised some concerns about demand in the short term.
- MCX Crude oil is likely to rise towards back towards 7200 levels as long as it trades above 7000 levels.
- Natural gas April is expected to trade lower amid higher inventories and mixed weather forecast. MCX Natural gas is expected to move towards 142 level as long as it trades below 155. Only close below 142, it would weaken further towards 138.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70868	71256	71469	71857	72070
Silver	81842	82344	82627	83129	83412
Copper	810.8	813.7	817.0	819.9	823.2
Aluminium	222.2	223.1	224.0	225.0	225.9
Zinc	239.5	241.5	242.7	244.7	246.0
Lead	186.0	186.7	187.9	188.6	189.7
Crude Oil	7032	7070	7120	7158	7208
Nat Gas	141	144	151	154	160

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	83.22	83.29	83.33	83.40	83.45
US\$INR (May)	83.24	83.33	83.39	83.48	83.54
EURINR (Apr)	90.09	90.20	90.31	90.41	90.52
EURINR (May)	90.47	90.49	90.52	90.54	90.57
GBPINR (Apr)	105.08	105.15	105.23	105.30	105.38
GBPINR (May)	105.11	105.22	105.36	105.47	105.61
JPYINR (Apr)	54.67	54.88	55.23	55.44	55.79
JPYINR (May)	55.47	55.54	55.66	55.73	55.85

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.25	105.19	0.06%
US\$INR	83.17	83.19	-0.01%
EURUSD	1.0725	1.0740	-0.15%
EURINR	90.60	89.84	0.85%
GBPUSD	1.2550	1.2540	0.10%
GBPINR	105.68	104.90	0.75%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.093	7.103	-0.01
US	4.309	4.347	-0.0378
Germany	2.361	2.395	-0.034
UK	4.021	4.056	-0.035
Japan	0.788	0.796	-0.008

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
06-03-2024	9:00 PM	1.4M	2.4M
28-02-2024	9:00 PM	4.2M	3.1M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	124225	9950	8.71%
Aluminium	529625	-3525	-0.66%
Zinc	259925	-200	-0.08%
Lead	271525	-1075	-0.39%
Nickel	75420	-1728	-2.24%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Friday, April 12, 2024						
Tentative	China	Trade Balance		508B	891B	Medium
11:30 AM	UK	GDP m/m		0.10%	0.20%	High
7:30 PM	US	Prelim UoM Consumer Sentiment		79.00	79.40	High
7:30 PM	US	Prelim UoM Inflation Expectations			2.90%	Medium



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