

June 13, 2024

# Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	July	Sell	71800-71850	71200	72200	Intraday

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## News and Developments

- Spot gold prices edged higher yesterday gaining 0.36% amid weak dollar and decline in US treasury yields but pared most of its gains after US Fed said it sees only one interest rate cut this year
- Dollar moved lower yesterday and lost 0.54% after data showed that inflation in May rose less than expected, but pared losses after FOMC economic projection showed an expectation for only one rate cut this year
- CPI on YoY basis increased by 3.3% in May 2024 after advancing 3.4% in April 2024. Core-CPI which excludes energy and food slipped to 3.4% in May from 3.6% in April 2024, lowest since April 2021
- US Federal Reserve held its benchmark rate steady in a range between 5.25% and 5.5% as widely expected but officials penciled in just 1 interest rate cut for this year
- US Treasury yields dropped after an inflation reading came in cooler than expected, rising hopes that Fed would begin cutting interest rates in coming months but was partly dampened by new FOMC economic projections that pointed to some caution. Yield on benchmark US 10-year treasury note slipped to 4.316% and 2-year treasury yield, which typically moves in step with interest rate expectations decline to 4.756%.
- Crude oil prices settled higher amid weakness in dollar but sharp upside was capped by an unexpected build in weekly crude oil inventories and hawkish Federal Reserve projections. EIA data showed crude oil inventories gained 3.7M barrels in the week through June 7<sup>th</sup>, as well as gasoline and distillate stocks also rose 2.6M and 881,000 respectively.
- Copper prices rose yesterday amid weakness in dollar and rise in risk appetite in the global markets.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71970	0.67%	2324.98	0.34%
Silver	90445	2.01%	29.73	1.53%
Copper	867.2	1.05%	9944.50	1.90%
Aluminium	235.5	1.07%	2575.50	1.66%
Zinc	260.2	3.07%	2894.00	4.44%
Lead	187.9	0.35%	2173.00	0.77%
WTI Crude Oil	6577	0.78%	78.50	0.77%
US Nat Gas	252.8	-1.44%	3.05	-2.68%

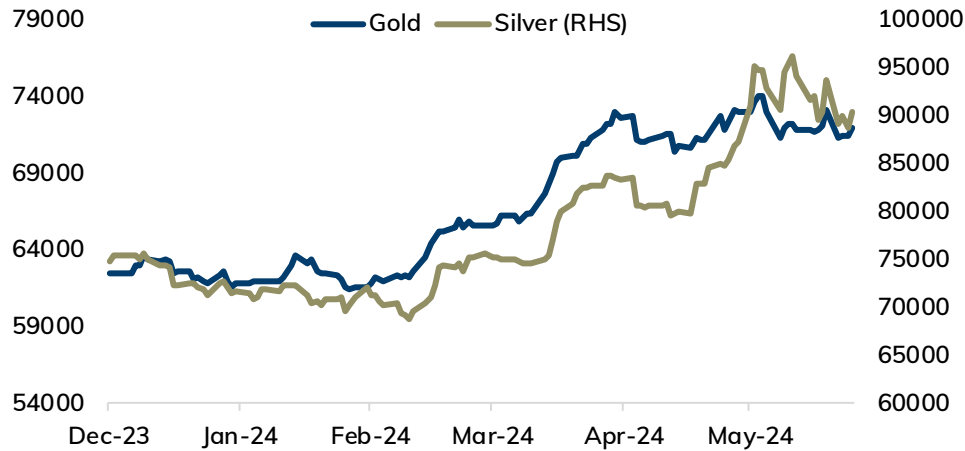
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.61	-0.01%	3673632	315056	757944	277068
EURINR (26th June)	89.94	0.00%	11579	-760	7243	1539
GBPINR (26th June)	106.55	0.12%	24683	2363	2822	-534

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	July	Sell	71400-71450	70800	71800	Stoploss Triggered

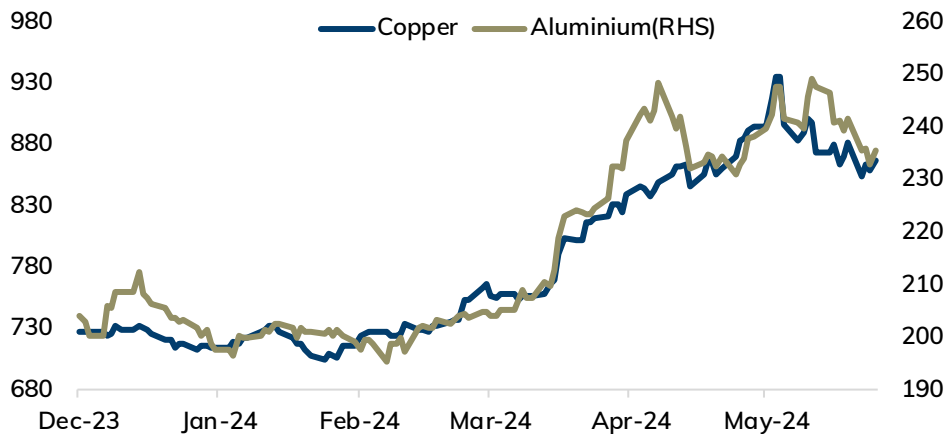
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to slip back towards \$2300 level amid expectation of strength in dollar and recovery in US treasury yields. Dollar and Yields are likely to move higher as US Federal Reserve in its policy meeting indicated that they will be cutting rate this year but projected 2 fewer rate cuts than forecasted in March. FOMC projected that the funds rate will end 2024 at a median 5.1% compared to 4.6% projected in March. Additionally, Fed also pushed out the start of rate cuts to perhaps as late as December. Spot gold prices may slip towards \$2285 level as long as it stays below \$2330 level (10-Day EMA)
- MCX Gold Aug prices is likely to slip back towards 71,000 level (50-Day EMA) as long as it stays below 72,000 level (20-Day EMA). A break below 71,000 level prices may slide further towards 70,600 level.
- MCX Silver July is expected to slip back towards 88,000 level as long as it stays below 90,300 level (20-Day EMA). A break below 88,000 level prices may slip further towards 86,500 level (50-Day EMA)

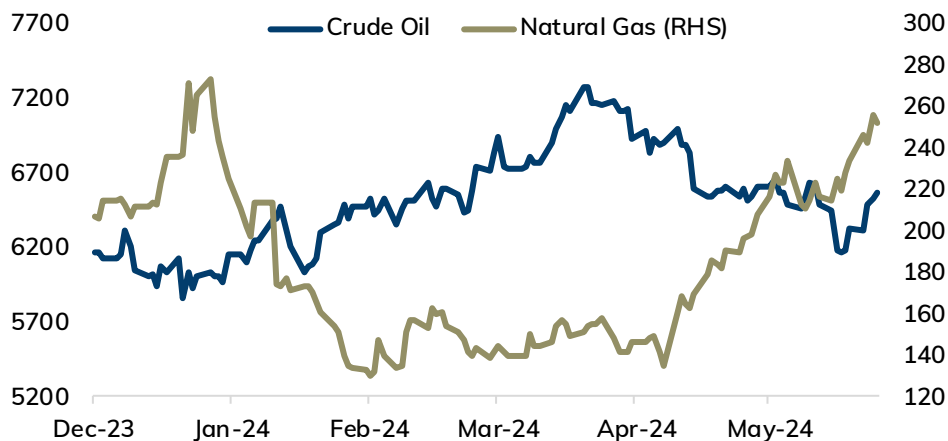
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade with the negative bias amid firm dollar and rising inventories at LME and SHFE registered warehouses. Further, Yangshan copper premium, which reflects the country's demand for copper imports continued to remain below zero since May, indicating weakness in Chinese markets. Meanwhile, sharp fall may be cushioned on expectations that Beijing will unveil more support measures in coming months to keep the economy on track to reach its GDP growth target
- MCX Copper is expected to slip back towards 854 level (50-Day EMA) as long as it stays below 875 level (20-Day EMA). A break below 854 prices may skid further towards 843 level
- Aluminum is expected move further south towards 230 level as long as it stays below 236 level. A break below 230 level prices may dip further towards 226 level (89-Day EMA)

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to slip back towards \$77.50 level amid expectation of strength in dollar and unexpected rise in US crude oil inventories and fuel stock. Further, IEA in its monthly report cut its forecast for 2024 global crude demand by 100,000 bpd to 960,000 bpd. The IEA prediction contrasted with a more optimistic forecast from OPEC. Moreover, US Fed pushed out the start of rate cuts to perhaps as late as December, with officials projecting only a single 25bps reduction for the year. Investors fear that higher borrowing costs tend to dampen economic growth, and limit oil demand. NYMEX Crude oil is likely to slip back towards \$77.50 level (200-Day EMA) as long as it trades below \$79.30 level
- MCX Crude oil July is likely to move south towards 6430 level (10- Day EMA) as long as it stays below 6620 level
- MCX Natural gas June is expected to slip further towards 244 level as long as it stays below 258 level

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71103	71537	71854	72288	72605
Silver	87895	89170	90180	91455	92465
Copper	849.7	858.5	867.7	876.5	885.7
Aluminium	230.0	232.8	234.5	237.3	239.0
Zinc	250.3	255.2	258.4	263.4	266.6
Lead	186.0	186.9	187.6	188.5	189.2
Crude Oil	6454	6515	6569	6630	6684
Nat Gas	244	248	255	259	266

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	83.51	83.56	83.59	83.64	83.67
US\$INR (July)	83.61	83.65	83.69	83.73	83.77
EURINR (June)	89.80	89.87	89.93	90.00	90.06
EURINR (July)	90.00	90.05	90.11	90.15	90.21
GBPINR (June)	106.26	106.40	106.50	106.64	106.74
GBPINR (July)	106.24	106.44	106.54	106.74	106.85
JPYINR (June)	53.22	53.27	53.33	53.38	53.44
JPYINR (July)	53.59	53.58	53.59	53.58	53.59

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.65	105.23	-0.56%
US\$INR	83.55	83.57	-0.03%
EURUSD	1.0809	1.0741	0.63%
EURINR	89.84	89.85	-0.02%
GBPUSD	1.2798	1.2740	0.46%
GBPINR	106.57	106.42	0.15%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.012	7.014	0.00
US	4.316	4.404	-0.02
Germany	2.530	2.622	-0.04
UK	4.128	4.268	-0.03
Japan	0.986	1.027	-0.04

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
6/12/2024	8:00 PM	3.7M	-1.2M
6/5/2024	8:00 PM	1.2M	-2.1M
5/30/2024	8:30 PM	-4.2M	-1.6M
5/22/2024	8:00 PM	1.8M	-2.4M
5/15/2024	8:00 PM	-2.5M	-0.4M
5/8/2024	8:00 PM	-1.4M	-1.0M
5/1/2024	8:00 PM	7.3M	-2.3M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	127425	100	0.08%
Aluminium	1092550	-3700	-0.34%
Zinc	257900	-1450	-0.56%
Lead	190250	1625	0.86%
Nickel	85728	78	0.09%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 10, 2024						
2:00 PM	Europe	Sentix Investor Confidence	0.30	-1.50	-3.60	Medium
Tuesday, June 11, 2024						
11:30 AM	UK	Claimant Count Change	50.4K	10.2k	8.9k	High
11:30 AM	UK	Average Earnings Index 3m/y	5.90%	5.70%	5.90%	Medium
Wednesday, June 12, 2024						
7:00 AM	China	CPI y/y	0.3%	0.4%	0.3%	Medium
7:00 AM	China	PPI y/y	-1.4%	-1.5%	-2.5%	Medium
11:30 AM	UK	GDP m/m	0.0%	0.0%	0.4%	High
5:30 PM	India	CPI y/y	4.75%	4.8%	4.8%	High
6:00 PM	US	CPI y/y	3.30%	3.4%	3.4%	High
8:00 PM	US	Crude Oil Inventories	3.7M	(-1.2)M	1.2 M	Medium
11:30 PM	US	Federal Funds Rate	5.5%	5.5%	5.5%	High
11:30 PM	US	FOMC Economic Projections				High
Thursday, June 13, 2024						
2:30 PM	Europe	Industrial Production m/m		0.1%	0.6%	Medium
6:00 PM	US	PPI m/m		0.1%	0.5%	High
6:00 PM	US	Unemployment Claims		222k	229k	High
9:30 PM	US	Treasury Sec Yellen Speaks		-	-	Medium
8:00 PM	US	Natural Gas Storage		-	98B	Medium
Friday, June 14, 2024						
Tentative	Japan	BOJ Policy Rate		-	-	High
7:30 PM	US	Prelim UoM Consumer Sentiment		73.0	6.9	High
7:30 PM	US	Prelim UoM Inflation Expectations		-	3.3%	Medium
11:30 AM	Europe	German Industrial Production m/m	-0.1%	0.1%	-0.4%	Medium
2:30 PM	Europe	Revised GDP q/q	0.30%	0.3%	0.3%	Medium
6:00 PM	US	Average Hourly Earnings m/m	-	0.3%	0.2%	High
6:00 PM	US	Non-Farm Employment Change	-	185k	175k	High
6:00 PM	US	Unemployment Rate	-	3.9%	3.9%	High



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