

August 20, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	September	Buy	70800-70850	71400	70480	Intraday

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News and Developments

- Spot gold prices traded higher on Monday and settled above the \$2500 mark amid weakness in the dollar and growing bets of U.S interest rate cuts. Dovish comments from two fed members supported precious metals as they signaled that they are open to a Fed rate cut in next month.
- Silver prices hit its 4-week's high and gained more than 1.5% amid weakness in the dollar and decline in the US treasury yields.
- Dollar index hit its lowest level in 7-months ahead of this weeks Jackson Hole meeting on Friday. Meanwhile, dovish comments from the Minneapolis Fed President Neel Kashkari weighed on the dollar index to slide below the 102 mark. Increasing possibility of weakening labor market and moderation in the inflation numbers would stimulate the September rate cut bets.
- US Treasury yields edged lower on Monday amid growing prospects of September rate cut, following the dovish comments from two Fed members. 10-year US treasury yields settled at 3.87% and 2-year yields settled at 4.07%.
- NYMEX crude oil prices extended its weakness on Monday and lost more than 2% amid demand concerns from China. Further, progress on cease-fire talks between Israel and Hamas also weighed on the prices .
- Copper prices traded higher amid softness in the dollar and improved risk sentiments. Further, improved demand in China also supported the red metal to trade higher. Meanwhile, a deal between the workers and BHP at Escondida copper mine in Chile has checked its upside.
- NYMEX natural gas prices gained the most on Monday and rallied almost 5% amid tight supply and forecast of cooling demand from major regions in US.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71584	0.29%	2504.28	-0.15%
Silver	84338	1.35%	29.45	1.62%
Copper	806.5	0.62%	9252.00	1.50%
Aluminium	224.0	2.24%	2445.50	3.38%
Zinc	264.0	0.67%	2787.00	0.89%
Lead	187.7	-0.05%	2039.00	0.12%
WTI Crude Oil	6253	-2.83%	74.37	-2.97%
US Nat Gas	186.5	4.07%	2.24	5.28%

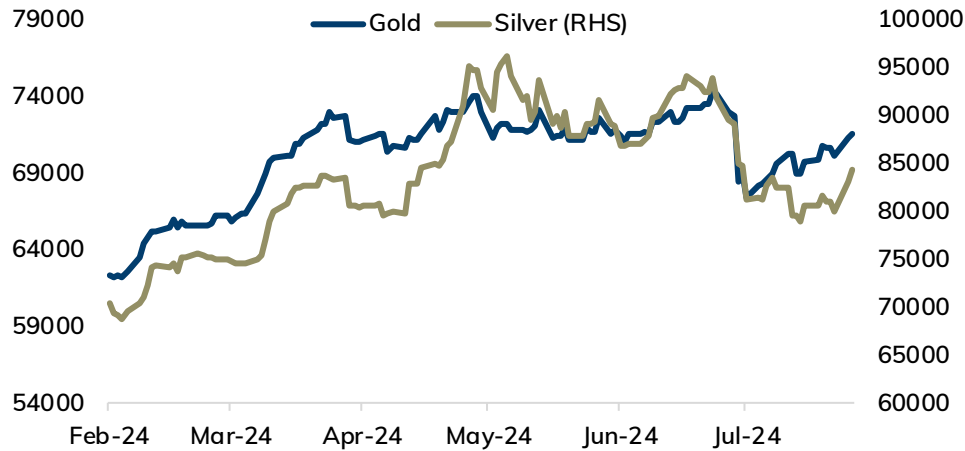
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th August)	83.90	-0.08%	3714336	-60414	294509	192883
EURINR (28th August)	92.68	0.40%	25436	2027	5409	3853
GBPINR (28th August)	108.58	0.29%	19787	1412	2514	480

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	Sepetembe	Buy	70800-70850	71600	70400	Profit Booked

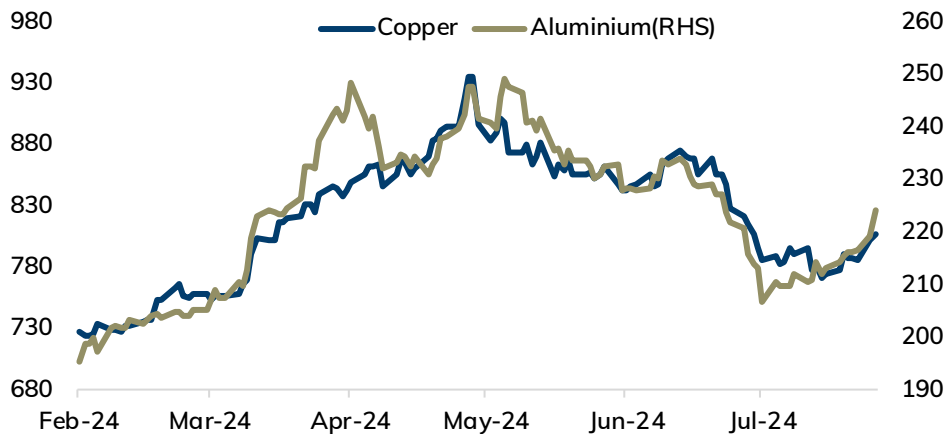
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold the support near \$2480 level and move higher towards \$2530 amid soft dollar. Dovish comments from the Fed members, moderation in US inflation numbers and rise in unemployment rate has raised the expectation of more rate cuts by the Federal Reserve. Further, increasing ETF buying and rising CFTC net speculative long positions indicates bullishness in the precious metal. Meanwhile, market will keep an eye on key comments from the Fed member Bostic and Barr to get more clues. Comex gold futures is expected to move in the range of \$2520 and \$2550. Above \$2550 it would rally towards \$2575.
- MCX Gold Oct is expected to extend its rally towards 72,000, as long as it trades above 71,100.
- Spot silver is expected to rise towards \$29.90, as long as it holds above \$28.70. MCX Silver September is expected to rise further towards 86,000 level as long as it stays above 82,800 level.

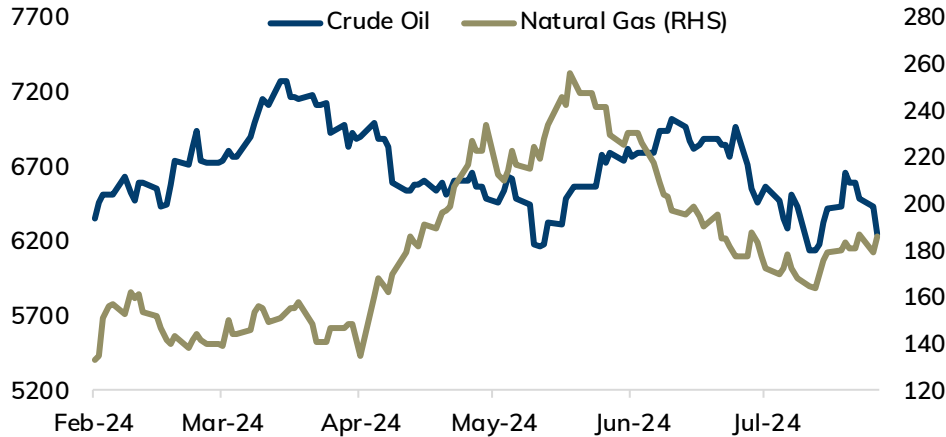
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with positive bias amid soft dollar and improved risk appetite. Less than expected export of copper in July and 15% decrease in shanghai copper inventory last month indicates improvement in the domestic purchase. Export of unwrought copper and products fell 40% from June to 140940 tons. On the other hand rising LME inventories and sluggish growth in the Chinese economy would hurt the demand outlook and limit more upside in the metal price.
- MCX Copper Aug is expected to rise towards 810 level as long as it stays above 796 level. A move above 810 would open the upside towards 818.
- Aluminum is expected move north towards 227 level as long as it stays above 220.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to remain under pressure amid demand concerns from China. Further, progress of the ceasefire talks has also reduced the risk premium in oil prices and eases the supply concerns. Weaker economic numbers from China and increasing output from US would also check the upside in prices. Meanwhile, improved risk sentiments and increasing bets of interest rate cut by the US Federal Reserve would limit the downside in prices. NYMEX Crude oil is likely to face the hurdle near \$75.50 and move lower towards the \$72 mark.
- MCX Crude oil Sep is likely to remain under pressure as long as it trades under 6400 level. On the downside 6060, would act as good support. Only below 6060 it would slide towards 6000.
- MCX Natural gas Aug is likely move towards 192 as long as it stays above 178 level. Declining US production and expectation of cooling demand from major states would support the gas prices to hold firm.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70956	71270	71495	71809	72034
Silver	82791	83564	84180	84953	85569
Copper	800.6	803.5	805.7	808.6	810.8
Aluminium	217.8	220.9	222.9	225.9	227.9
Zinc	261.9	262.9	264.3	265.4	266.8
Lead	186.8	187.2	187.8	188.2	188.8
Crude Oil	6102	6177	6314	6389	6526
Nat Gas	173	180	184	191	195

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	83.81	83.85	83.90	83.95	84.00
US\$INR (Sep)	83.86	83.92	84.01	84.07	84.16
EURINR (Aug)	92.39	92.54	92.64	92.79	92.89
EURINR (Sep)	92.36	92.50	92.62	92.76	92.88
GBPINR (Aug)	108.15	108.36	108.56	108.77	108.97
GBPINR (Sep)	108.25	108.41	108.60	108.76	108.95
JPYINR (Aug)	56.69	56.99	57.30	57.60	57.91
JPYINR (Sep)	57.25	57.51	57.65	57.91	58.05

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	101.89	102.46	-0.56%
US\$INR	83.87	83.95	-0.09%
EURUSD	1.1085	1.1027	0.53%
EURINR	92.56	92.27	0.31%
GBPUSD	1.2991	1.2944	0.36%
GBPINR	108.73	108.34	0.36%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.865	6.870	0.00
US	3.871	3.883	0.00
Germany	2.246	2.247	0.00
UK	3.922	3.926	0.00
Japan	0.890	0.876	0.02

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
7/3/2024	8:00 PM	-12.2M	-0.4M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	308075	-975	-0.32%
Aluminium	885375	-3600	-0.40%
Zinc	260000	-600	-0.23%
Lead	193825	-3075	-1.56%
Nickel	114456	396	0.35%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, August 19, 2024						
6:45 PM	US	FOMC Member Waller Speaks	-	-	-	Medium
Tuesday, August 20, 2024						
6:45 AM	China	1-y Loan Prime Rate	3.35%	3.35%	3.35%	Medium
6:45 AM	China	5-y Loan Prime Rate	3.85%	3.85%	3.85%	Medium
2:30 PM	Europe	Final CPI y/y	-	2.6%	2.6%	Medium
11:05 PM	US	FOMC Member Bostic Speaks	-	-	-	Medium
Wednesday, August 21, 2024						
8:00 PM	US	Crude Oil Inventories	-	-	1.4M	Medium
11:30 PM	US	FOMC Meeting Minutes	-	-	-	High
Thursday, August 22, 2024						
1:30 PM	Europe	Flash Manufacturing PMI	-	45.7	45.8	High
1:30 PM	Europe	Flash Services PMI	-	51.7	51.9	High
2:00 PM	UK	Flash Manufacturing PMI	-	52.1	52.1	High
2:00 PM	UK	Flash Services PMI	-	52.7	52.5	High
6:00 PM	US	Unemployment Claims	-	233k	227k	High
7:15 PM	US	Flash Manufacturing PMI	-	49.8	49.6	High
7:15 PM	US	Flash Services PMI	-	54	55	High
7:30 PM	US	Existing Home Sales	-	3.92M	3.89M	Medium
8:00 PM	US	Natural Gas Storage	-	-	(-6)B	Medium
Day 1	All	Jackson Hole Symposium	-	-	-	Medium
Friday, August 23, 2024						
7:30 PM	US	Fed Chair Powell Speaks	-	-	-	High
7:30 PM	US	New Home Sales	-	628k	617k	Medium
Day 2	All	Jackson Hole Symposium	-	-	-	High



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