

May 10, 2024

Daily Commodities Outlook

| Daily Recommendations | | | | | | |
|-----------------------|--------|--------|-------------|--------|-----------|------------|
| Commodity/Index | Expiry | Action | Entry | Target | Stop Loss | Time Frame |
| Gold Mini | June | Buy | 71900-71920 | 72550 | 71600 | Intraday |

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News and Developments

- Spot gold prices rose more than 0.50% and silver climbed almost 3% yesterday after the weekly US jobless claims data surprised the market which rose to an 8-month high. Sharp jump in the jobless claims data weighed on the dollar and reinforced the bets that the Federal Reserve will reduce the rates later this year.
- US dollar index and treasury yields moved lower after the weekly jobless claims data rose by 22,000 to 231,000 against previous reading of 209,000. The latest data indicates slight weakening in the job market and raised the bets that Fed interest rate cut may happen sooner than previously expected.
- 10 year US treasury yields moved lower to 4.49% and the 2 year US treasury yields steadied near 4.82%.
- NYMEX crude oil prices traded higher amid weakness in the dollar and improved trade balance data from China. Stronger than expected trade data from China supports the oil demand. In addition, crude has carryover support from Wednesday when the EIA reported a decline in weekly crude inventories. Meanwhile, higher than expected Russian crude output has checked the upside in oil prices.
- Copper prices recovered from its day's lows buoyed by China's trade data and measures to support the property market. China's exports and imports returned to growth in April after contracting in the previous month. Further, weakness in the dollar strengthened the red metals to move closer towards its 2-year high.
- Natural gas futures jumped more than 4% on Thursday after the weekly inventory data indicated smaller than expected rise in stocks. Natural gas in underground storage increased by 79 billion cubic feet to 2,563 Bcf as of May 3, which was 640 Bcf above the five-year average for the week.

Price Performance

| Commodity | LTP (₹) | Change | LTP (\$) | Change |
|---------------|---------|--------|----------|--------|
| Gold | 71639 | 0.72% | 2346.33 | 1.62% |
| Silver | 84499 | 1.81% | 28.32 | 3.61% |
| Copper | 859.9 | 0.57% | 9904.50 | 0.01% |
| Aluminium | 234.3 | 0.82% | 2561.50 | 0.49% |
| Zinc | 258.8 | 0.23% | 2909.50 | 0.14% |
| Lead | 194.0 | 0.23% | 2233.50 | 0.20% |
| WTI Crude Oil | 6606 | 0.29% | 79.26 | 0.34% |
| US Nat Gas | 211.3 | 2.47% | 2.30 | 5.21% |

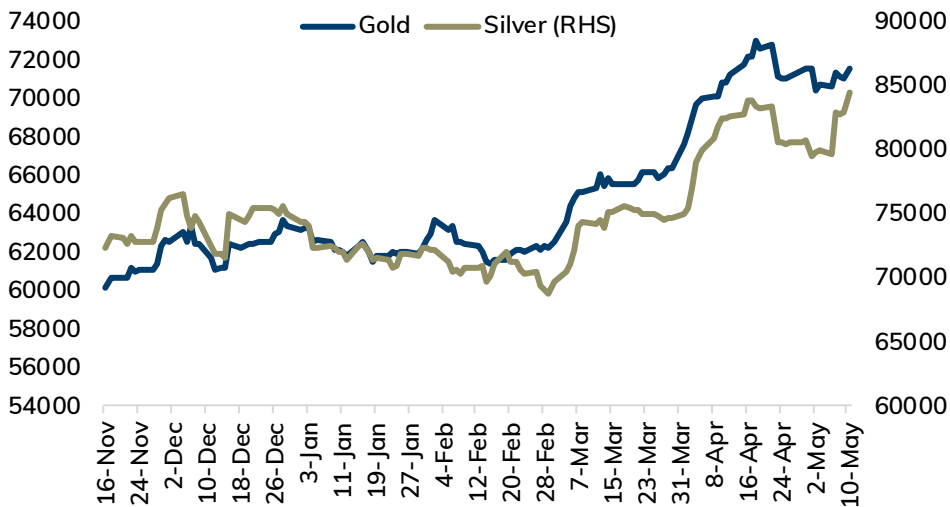
Domestic Currencies

| Futures | Close | % Change | Open Interest | Change in OI | Volume | Change in Vol |
|-------------------|--------|----------|---------------|--------------|--------|---------------|
| USDINR (29th May) | 83.56 | -0.01% | 3228065 | 52508 | 594955 | -116193 |
| EURINR (29th May) | 89.62 | -0.19% | 16478 | -1213 | 3134 | -183 |
| GBPINR (29th May) | 104.25 | -0.17% | 11995 | -788 | 2318 | -1914 |

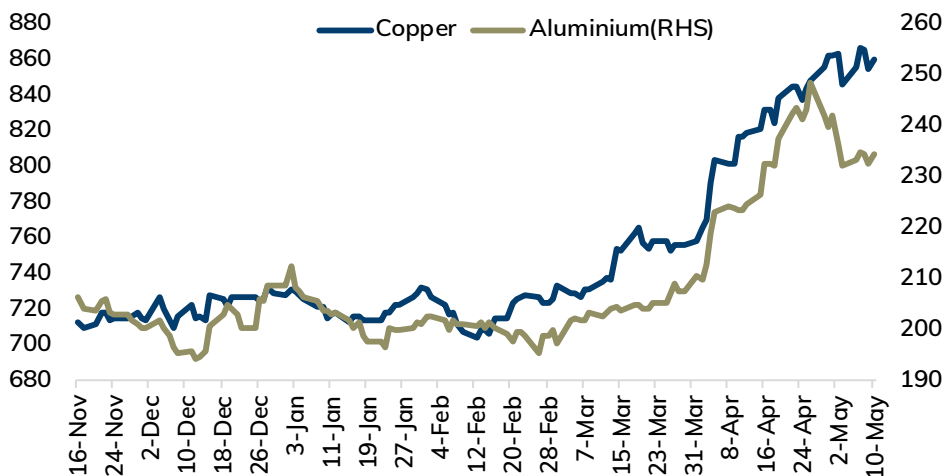
Daily Strategy Follow-up

| Commodity/Index | Expiry | Action | Entry | Target | Stoploss | Comment |
|-----------------|--------|--------|-----------|--------|----------|---------------|
| Crude Oil | May | Buy | 6500-6510 | 6650 | 6430 | Not initiated |

MCX Gold vs. Silver



MCX Copper vs. Aluminium



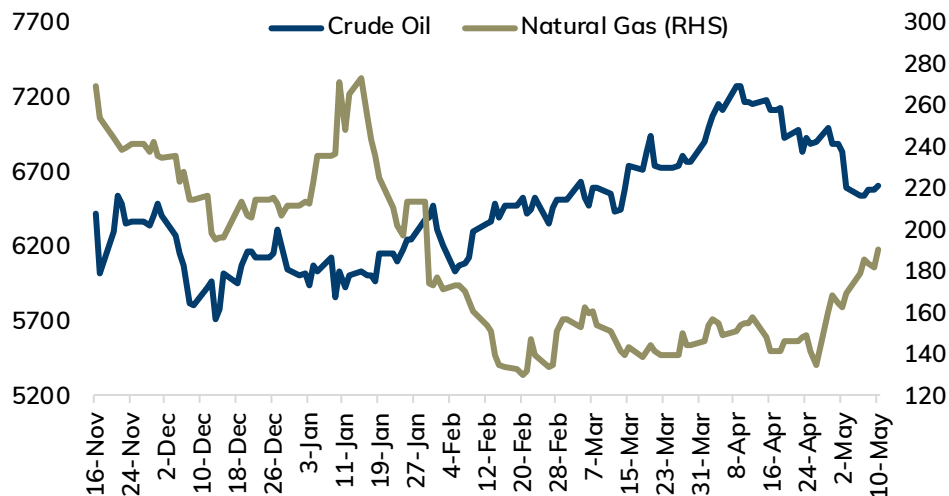
Bullion Outlook

- Spot gold is expected to extend its rally beyond \$2354 and move towards \$2374 amid softness in the US dollar and treasury yields. Weaker than expected US jobless claims data has indicted slight weakness in the job market, which could force the Fed to cut the rates earlier than anticipated. Further, forecast of decline in US consumer sentiments would also force the Fed members to change their hawkish tone. Later in the day focus will remain on comments from the Fed member Bowman and Barr, which could give more clarity on the Fed rate path
- MCX Gold June is expected to rise towards 72200, as long as it holds above 71400. A move above 72200 would open the doors towards 72700.
- MCX Silver July is expected to hold the support near 83400 and move towards the initial hurdle at 85000. Above 85000 it would extend its rally towards 86200.

Base Metal Outlook

- Copper prices are expected trade higher amid depleting stocks and tight supplies. Further, improvement in last months trade balance numbers raised the hopes that recent Government measures from China would increase the demand of the metal. More measures for improvement in China's housing sector and strong demand growth from the renewable energy would strengthen bullish bets on the metal. Now investor will focus on weekends key CPI and PPI numbers which is expected to improve and support the metals to trade higher.
- For the day MCX Copper May is likely to hold the support of 10 day EMA at 854 and move higher towards 868. Only a move above 868, it would rise towards 872.
- Aluminum May future is expected to hold the support near 230 and rebound towards 238.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected hold the support at \$78 and move towards \$81 on expectation of economic recovery in China. Further, halt of negotiations between Israel and Hamas would also support the oil prices to extend its rally. Moreover softness in the dollar amid renewed bets of early rate cut by the Federal Reserve would also help the oil prices to trade higher.
- MCX Crude oil May future is expected to hold support near 6500 and move towards the initial hurdle at 6700. A move above 6700, would open the doors towards 6800.
- Natural Gas prices are expected to extend its gains amid Summer demand and decline in production. Increase in electricity output is positive for far natural gas demand from the utility providers. MCX Natural gas May futures is expected hold the support of 5day EMA at 183 and move towards 200.

Daily Commodity Pivot Levels

| Commodity | S2 | S1 | Pivot | R1 | R2 |
|-----------|-------|-------|-------|-------|-------|
| Gold | 70577 | 71108 | 71408 | 71939 | 72239 |
| Silver | 82583 | 83541 | 84058 | 85016 | 85533 |
| Copper | 848.0 | 853.9 | 857.4 | 863.3 | 866.8 |
| Aluminium | 230.3 | 232.3 | 233.4 | 235.3 | 236.4 |
| Zinc | 253.4 | 256.1 | 258.0 | 260.7 | 262.6 |
| Lead | 192.3 | 193.1 | 193.6 | 194.4 | 194.9 |
| Crude Oil | 6544 | 6575 | 6625 | 6656 | 6706 |
| Nat Gas | 200 | 206 | 210 | 215 | 220 |

Daily Currency Pivot Levels

| Futures | S2 | S1 | Pivot | R1 | R2 |
|---------------|--------|--------|--------|--------|--------|
| US\$INR (May) | 83.46 | 83.51 | 83.54 | 83.59 | 83.61 |
| US\$INR (Jun) | 83.46 | 83.56 | 83.68 | 83.77 | 83.89 |
| EURINR (May) | 89.10 | 89.36 | 89.62 | 89.88 | 90.14 |
| EURINR (Jun) | 89.81 | 89.85 | 89.85 | 89.90 | 89.90 |
| GBPINR (May) | 104.06 | 104.15 | 104.29 | 104.38 | 104.52 |
| GBPINR (Jun) | 104.45 | 104.48 | 104.54 | 104.57 | 104.63 |
| JPYINR (May) | 53.59 | 53.69 | 53.84 | 53.94 | 54.09 |
| JPYINR (Jun) | 54.29 | 54.47 | 54.59 | 54.77 | 54.89 |

Key Parameters

Major Currency Pairs

| Currencies | Close | Pvs. Close | % Change |
|------------|--------|------------|----------|
| DXY | 105.23 | 105.55 | -0.30% |
| US\$INR | 83.51 | 83.52 | -0.01% |
| EURUSD | 1.0782 | 1.0748 | 0.32% |
| EURINR | 89.62 | 89.80 | -0.20% |
| GBPUSD | 1.2524 | 1.2498 | 0.21% |
| GBPINR | 104.27 | 104.33 | -0.06% |

10 year government - Global Bonds Yields

| Country | Close | Pvs. Close | Change |
|---------|-------|------------|---------|
| India | 7.132 | 7.134 | -0.002 |
| US | 4.453 | 4.494 | -0.0406 |
| Germany | 2.495 | 2.462 | 0.033 |
| UK | 4.142 | 4.139 | 0.003 |
| Japan | 0.918 | 0.882 | 0.036 |

US Crude Stocks Change (Barrels)

| Release Date | Time (IST) | Actual | Forecast |
|--------------|------------|--------|----------|
| 5/8/2024 | 8:00 PM | -1.4M | -1.0M |
| 5/1/2024 | 8:00 PM | 7.3M | -2.3M |
| 4/25/2024 | 8:00 PM | -6.4M | 1.6M |
| 4/17/2024 | 8:00 PM | 2.7M | 1.6M |
| 4/10/2024 | 8:00 PM | 5.8M | 0.9M |
| 4/3/2024 | 8:00 PM | 3.2M | -0.3M |
| 3/27/2024 | 8:00 PM | 3.2M | -0.7M |

LME Warehouse Stocks (Tonnes)

| Commodity | Current Stock | Change in Stock | % Change |
|-----------|---------------|-----------------|----------|
| Copper | 104375 | -1625 | -1.53% |
| Aluminium | 479850 | -2750 | -0.57% |
| Zinc | 252125 | -625 | -0.25% |
| Lead | 240875 | -5975 | -2.42% |
| Nickel | 80004 | 132 | 0.17% |

Economic Calendar

| Date & Time (IST) | Country | Data & Events | Actual | Expected | Previous | Impact |
|------------------------|---------|-----------------------------------|--------|----------|----------|--------|
| Monday, May 6, 2024 | | | | | | |
| 7:15 AM | China | Caixin Services PMI | 52.5 | 52.5 | 52.7 | Medium |
| 2:00 PM | Europe | Sentix Investor Confidence | -3.6 | -4.8 | -5.9 | Medium |
| Tuesday, May 7, 2024 | | | | | | |
| 11:30 AM | Europe | German Factory Orders m/m | -0.40% | 0.40% | 0.20% | Medium |
| 11:30 AM | UK | Halifax HPI m/m | 0.10% | 0.20% | -1.00% | Medium |
| 2:00 PM | UK | Construction PMI | 53 | 50.4 | 50.2 | Medium |
| 2:30 PM | Europe | Retail Sales m/m | 0.80% | 0.60% | -0.50% | Medium |
| Wednesday, May 8, 2024 | | | | | | |
| 11:30 AM | Europe | German Industrial Production m/m | -0.40% | -1.00% | 2.10% | Medium |
| 8:00 PM | US | Crude Oil Inventories | -1.4M | -1.0M | 7.3M | Medium |
| Thursday, May 9, 2024 | | | | | | |
| Tentative | China | Trade Balance | 513B | 510B | 416B | Medium |
| 4:30 PM | UK | Official Bank Rate | 5.25% | 5.25% | 5.25% | High |
| 5:00 PM | | BOE Gov Bailey Speaks | - | - | - | High |
| 6:00 PM | US | Unemployment Claims | 231K | 211K | 208K | High |
| 8:00 PM | US | Natural Gas Storage | 79B | 87B | 59B | Medium |
| Friday, May 10, 2024 | | | | | | |
| 11:30 AM | UK | GDP m/m | - | 0.10% | 0.10% | High |
| 11:30 AM | UK | Prelim GDP q/q | - | 0.40% | -0.30% | High |
| 7:30 PM | US | Prelim UoM Consumer Sentiment | - | 76.3 | 77.2 | High |
| 7:30 PM | US | Prelim UoM Inflation Expectations | - | - | 3.20% | Medium |



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