

April 29, 2024

Daily Currency & Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	June	Sell	71150-71180	70650	71500	Intraday

Research Analysts

Jay Thakkar
jay.thakkar@icicisecurities.com

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Anup Sahu
anup.sahu@icicisecurities.com

News and Developments

- Spot gold prices pared its earlier gains amid rebound in the dollar after sticky US PCE data increased the probability that the Federal Reserve will hold the rate higher for longer. Both the PCE and Core PCE data of March rose by 0.3%, where as year-on year the PCE price index in March jumped to 2.7% against previous reading of 2.5%.
- Dollar index moved above the 106 mark amid growing bets of higher for longer interest rates after the US PCE prices index rose by 0.3% last month. Further weakness in the Japanese Yen, which hit a fresh 34 year low after the BOJ opted to keep monetary policy loose also supported the dollar to trim its earlier losses.
- 10 year US treasury yields moved lower and hit 4.673% and the 2 year US treasury yields remained steady near the 5.0% mark
- Crude oil prices edged higher amid ongoing tension in the Middle East, which got escalated after Israel launched strikes against more than 40 sites linked to Hezbollah in Lebanon this week. Meanwhile, stronger dollar capped the upside in the oil prices. Friday's US economic news was mixed for energy demand and crude prices. On the negative side, the University of Michigan US April consumer sentiment index was revised downward by -0.7 to 77.2, Conversely, US Mar personal spending rose 0.8% m/m against expectations of 0.6% m/m
- Copper prices hit its highest level in 2-years and crossed the \$10,000 per tonne in LME amid growing concerns of tight supply and bullish long-term demand. Persistent issues in copper ore mining threatened supply for smelters and treatment plants leading to supply crunch.
- Natural gas futures traded lower and lost almost 1% on Friday weighed down by ample US supplies and forecast of Mild temperature in most parts of US.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71500	0.40%	2337.96	0.24%
Silver	80680	0.00%	27.21	-0.83%
Copper	855.8	0.87%	9965.50	1.02%
Aluminium	242.1	-2.58%	2569.50	0.23%
Zinc	252.0	0.54%	2844.00	-0.14%
Lead	190.7	1.54%	2207.50	0.00%
WTI Crude Oil	6999	1.27%	83.85	0.34%
US Nat Gas	191.0	15.55%	1.61	-1.47%

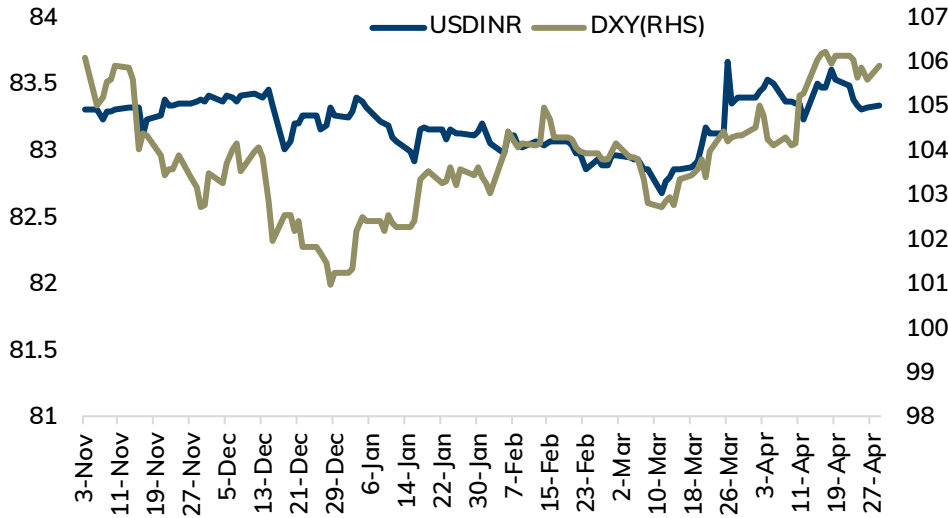
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.43	0.04%	2252481	420011	931014	109251
EURINR (26th Apr)	89.45	-0.01%	19585	5976	13050	7595
GBPINR (26th Apr)	104.32	-0.19%	13013	4677	8545	5897

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	May	Buy	852-853	860	848	Not initiated

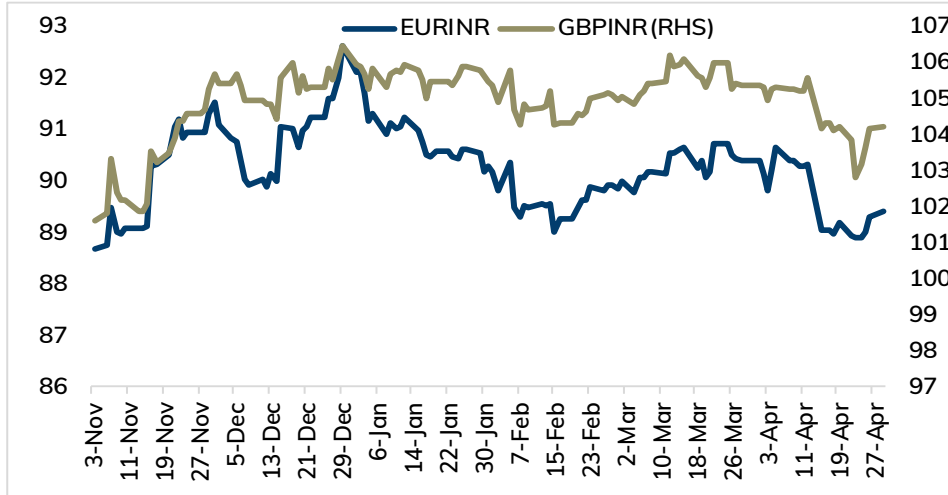
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee depreciated marginally on Friday amid firm dollar and rise in US treasury yields. Further, rupee slipped on surge in crude oil prices and weak domestic market sentiments
- Rupee is likely to depreciate today amid strong dollar and rise in US treasury yields. Dollar is moving north as recent data showed no signs of easing price pressure, reinforcing expectations that US Federal Reserve will delay its first interest rate cut. US Core-PCE price index rose 2.8% in March higher than the estimate of 2.6%. Meanwhile, sharp fall in rupee may be prevented on softening of crude oil prices and rise in risk appetite in the domestic markets. USDINR May likely to find support near 83.30 level (50-Day EMA) and rise towards 83.50 levels. A sustain break above 83.50 level pair may further rise towards 83.60 levels.

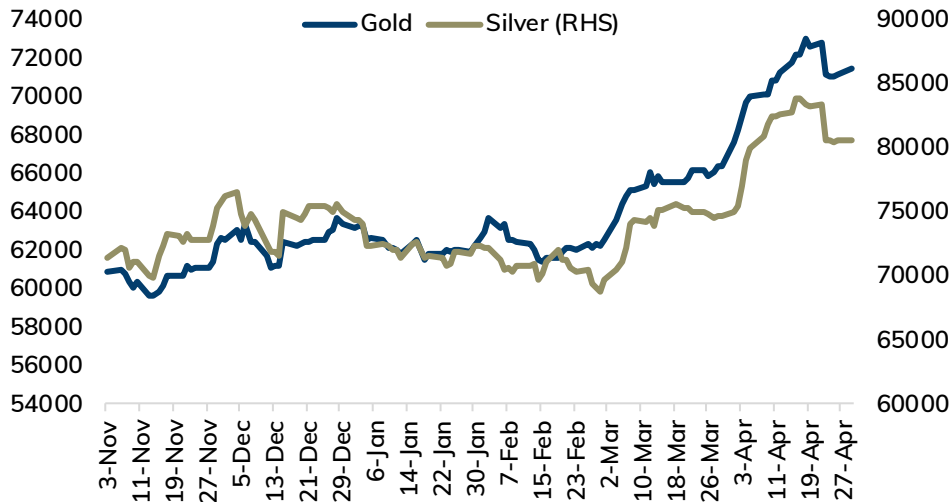
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro slipped by 0.36% on Friday amid strong dollar. Further, data showed Eurozone M3 money supply rose more than expected in March. For today, EURUSD is likely to face the resistance near 1.0740 level and slip towards 1.0670 level amid strong dollar. Further, euro may slip on divergence in monetary policy between US Fed and ECB. US Fed is likely to delay its rate cut as recent batch of economic data showed economic growth slowed down unexpectedly, while inflation remained elevated. Meanwhile, investors will keep an close on data from euro zone to gauge economic health of the region. EURINR May is likely to slip towards 89.20 levels as long as it trades below 89.65 levels.
- Pound is expected to face resistance near 1.2540 level and slip back towards 1.2470 level (10-Day EMA) amid strong dollar. GBPINR May is likely to move south towards 104.20 level as long as it stays below 104.75 levels (100-Day EMA).

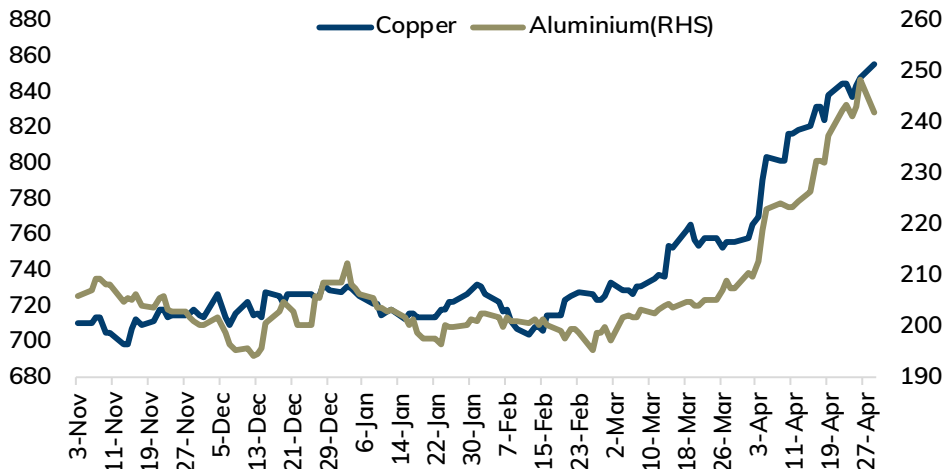
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to face the hurdle near \$2355 and move towards the psychological support at \$2300 amid stronger dollar. Growing probability of higher for longer interest rates by the Federal reserve after last week's PCE data would check the upside in the bullions. June rate cut probability remained near the 10%, where as most investors are waiting for the comments from this weeks FOMC meeting to get more clues on the timing of first interest rate cut.
- MCX Gold June is expected to face the hurdle near 71800 and move lower towards 70600. Only close below 70600, it would turn weaker and slide further towards 70000.
- MCX Silver July is expected to face the resistance at 83400 and slip towards 81500. Only a move below 81500, it would open the doors towards 80400.

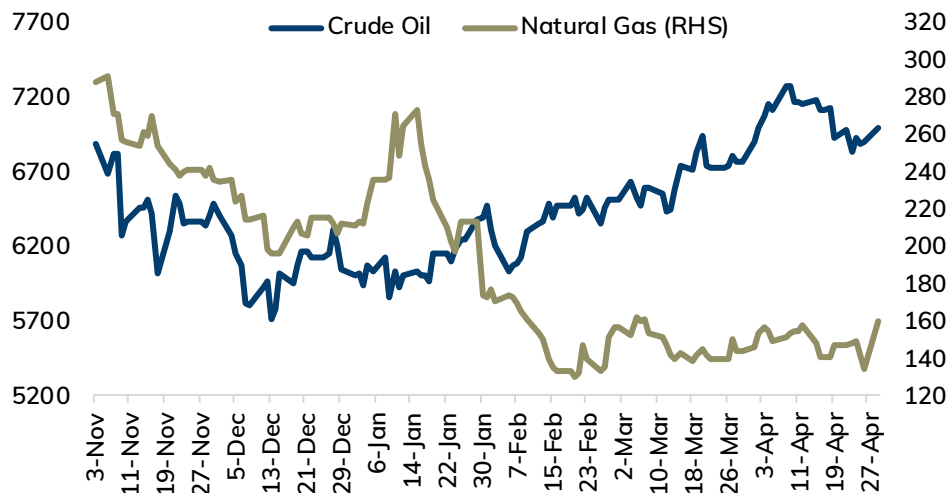
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are likely to hold its ground and trade higher amid tight supplies and improved economic optimism. Mine closure and subsequent tightness in the concentrate market would support the red metal to trade higher. Furthermore, strong inflow of money through investment funds would support the prices. Meanwhile, stronger dollar amid growing prospects of higher interest rates for longer period by the Fed could restrict its upside.
- For the day MCX Copper May is expected to find support near 854 and move towards 864. Only close above 864 it would rise towards 870.
- Aluminum May future is expected to find the support near 234 and move higher towards 240. Only close below 234 it would weaken towards 230 mark.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trim its earlier gains and move back to the lower band of the consolidation range \$81-\$85 amid stronger dollar. Sticky inflation numbers dimmed the prospects of early rate cut by US Fed. Meanwhile, drop in oil rigs back to 506 after rising to 511 last week would provide some support to the oil prices. Further growing tension between Ukraine and Russia could hurt the global supplies and lend some support to the oil prices. This week, focus will turn towards the Fed meeting and economic numbers from China which would bring further clarity in price trend.
- MCX Crude oil May future is likely to face the hurdle near 7050 and dip towards 6800. Only a move above 7050 it would turn bullish.
- MCX Natural Gas May future is expected to face the hurdle near 170 and move lower towards 158. A move below 158, would open the downside towards 154.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70949	71225	71487	71763	72025
Silver	79883	80281	80841	81239	81799
Copper	845.1	850.5	855.0	860.3	864.8
Aluminium	231.6	236.8	246.2	251.4	260.8
Zinc	245.3	248.6	251.3	254.6	257.3
Lead	189.9	190.3	190.9	191.3	191.8
Crude Oil	6915	6957	7000	7042	7085
Nat Gas	186	189	193	196	200

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.35	83.39	83.42	83.46	83.49
US\$INR (Jun)	83.42	83.46	83.49	83.53	83.56
EURINR (May)	89.18	89.32	89.41	89.54	89.64
EURINR (Jun)	89.50	89.67	89.88	90.05	90.25
GBPINR (May)	104.02	104.17	104.38	104.53	104.75
GBPINR (Jun)	104.52	104.56	104.53	104.58	104.55
JPYINR (May)	52.86	53.20	53.75	54.09	54.64
JPYINR (Jun)	54.00	54.19	54.55	54.74	55.10

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.94	105.60	0.32%
US\$INR	83.35	83.33	0.03%
EURUSD	1.0693	1.0730	-0.34%
EURINR	89.49	89.38	0.12%
GBPUSD	1.2493	1.2514	-0.17%
GBPINR	104.32	104.27	0.05%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.187	7.205	-0.018
US	4.663	4.704	-0.0409
Germany	2.575	2.630	-0.055
UK	4.324	4.362	-0.038
Japan	0.891	0.899	-0.008

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
25-04-2024	8:00 PM	-6.4M	1.6M
17-04-2024	8:00 PM	2.7M	1.6M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	118550	-1850	-1.54%
Aluminium	494150	-725	-0.15%
Zinc	254450	-50	-0.02%
Lead	269650	2700	1.01%
Nickel	77784	162	0.21%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 29, 2024						
All Day	Europe	German Prelim CPI m/m	-	0.60%	0.40%	High
12:30 PM	Europe	Spanish Flash CPI y/y	-	3.40%	3.20%	Medium
Tuesday, April 30, 2024						
7:00 AM	China	Manufacturing PMI	-	50.3	50.8	High
7:00 AM	China	Non-Manufacturing PMI	-	52.2	53	Medium
7:15 AM	China	Caixin Manufacturing PMI	-	51	51.1	High
11:30 AM	Europe	German Retail Sales m/m	-	-	-1.90%	Medium
1:30 PM	Europe	German Prelim GDP q/q	-	0.10%	-0.30%	Medium
2:30 PM	Europe	CPI Flash Estimate y/y	-	2.40%	2.40%	Medium
2:30 PM	Europe	Prelim Flash GDP q/q	-	0.10%	0.00%	Medium
6:00 PM	US	Employment Cost Index q/q	-	1.0%	0.90%	High
6:30 PM	US	S&P/CS Composite-20 HPI y/y	-	6.7%	6.60%	Medium
7:30 PM	US	CB Consumer Confidence	-	104	104.7	High
Wednesday, May 1, 2024						
5:45 PM	US	ADP Non-Farm Employment Change	-	179K	184K	High
7:30 PM	US	ISM Manufacturing PMI	-	50.1	50.3	High
7:30 PM	US	JOLTS Job Openings	-	8.68M	8.76M	High
8:00 PM	US	Crude Oil Inventories	-	-	-6.4M	Medium
11:30 PM	US	Federal Funds Rate	-	5.50%	5.50%	High
Thursday, May 2, 2024						
6:00 PM	US	Unemployment Claims	-	212K	207K	High
6:00 PM	US	Trade Balance	-	-69.3B	-68.9B	Medium
8:00 PM	US	Natural Gas Storage	-	-	92B	Medium
Friday, May 3, 2024						
6:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.30%	High
6:00 PM	US	Non-Farm Employment Change	-	243K	303K	High
6:00 PM	US	Unemployment Rate	-	3.80%	3.80%	High
7:30 PM	US	ISM Services PMI	-	52	51.4	High



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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