

May 3, 2024

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	May	Buy	164-165	173	160	Intraday

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News and Developments

- Spot gold prices edged lower on Thursday but managed to rebound from its 3-week lows amid decline in US dollar index and global treasury yields. Bullions found support after the Federal Reserve kept its language referring to a future reduction in rates. These comments has eased the concerns that the Fed is moving away from an easing bias and supported the bullions to rebound.
- US dollar index slide below the 105.50 mark amid decline in US treasury yields. But better than expected US jobless claims numbers and improved March factory orders supported the dollar to limit its downside.
- 10 year US treasury yields moved lower and hit 4.59% and the 2 year US treasury yields slide to 4.88%. The US yield curve has narrowed its inversion. The spread between the 2 and 10 year yields has moved towards -29.0 bps from -33.6 bps, indicating that the Fed would move towards lower interest rates
- NYMEX crude oil stabilized near the \$79 mark after falling more than 5% this week as fading concerns about a wider conflict in the Middle East and robust US crude oil supplies. EIA inventory reported a sharp jump in inventory to a 10-month high. Meanwhile, softer dollar and increasing bets of extension in OPEC output cut post 2nd quarter limited its downside.
- Copper prices pared all its gains amid concerns over tighter monetary policy from the Federal Reserve. Further, fragile physical demand in China also kept a check on the metals rally. Additionally, downward revision to the global usage and a subdued demand outlook in China also weighed on the metal price to trim its last week's gains.
- Natural gas futures jumped more than 5% amid less than expected rise in weekly inventory. Prices found support as continued drop in output. US gas production has dropped by around 11% so far in 2024 as several energy firms scaled down the drilling activities.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	70736	0.02%	2303.83	-0.68%
Silver	79950	0.10%	26.68	0.12%
Copper	846.0	-1.13%	9765.50	-1.31%
Aluminium	232.0	-1.76%	2528.00	-1.92%
Zinc	256.9	1.22%	2886.00	0.17%
Lead	190.7	0.03%	2180.00	0.00%
WTI Crude Oil	6601	-0.32%	78.95	-0.06%
US Nat Gas	194.8	1.99%	2.04	5.33%

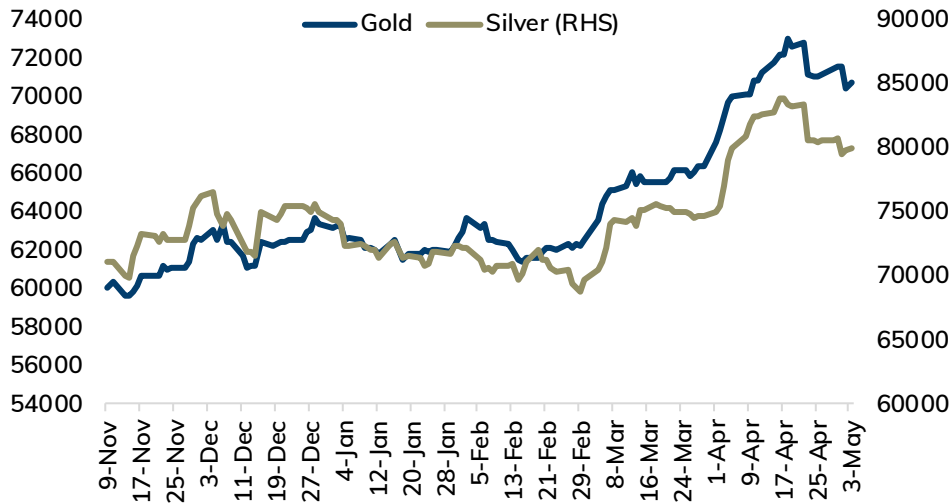
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th May)	83.54	0.04%	2680382	-51155	340126	-402284
EURINR (29th May)	89.34	-0.14%	19637	-442	2651	505
GBPINR (29th May)	104.53	-0.03%	12365	-165	2811	845

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural gas	May	Buy	166-167	174	162	Exit At Cost

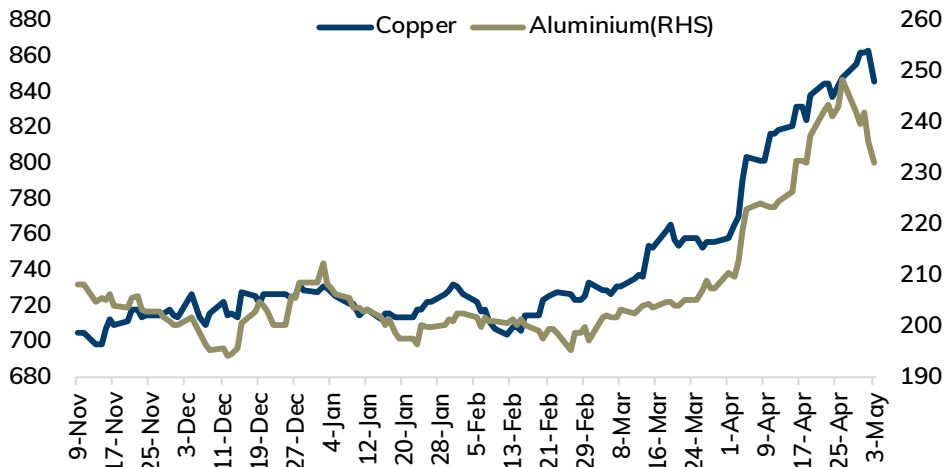
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to face the hurdle near \$2330 and move towards \$2280 amid growing bets that the Federal Reserve will hold the rates higher for longer. Meanwhile, expectation of better job growth number in US and growth in the service sector would lower the probability of rate cut. Today the focus will remain on key US Non-farm payroll numbers, which could bring more clarity in the price trend.
- MCX Gold June is expected to face the resistance near 71300 and move towards the key support at 70300. Only close below 70300, it would turn weaker and slide further towards 69800.
- MCX Silver July is expected to consolidate in the band of 82200 and 80200. Only a move below 80200 would open the doors towards 79200. On the upside, above 82200, key resistance exists near 83200.

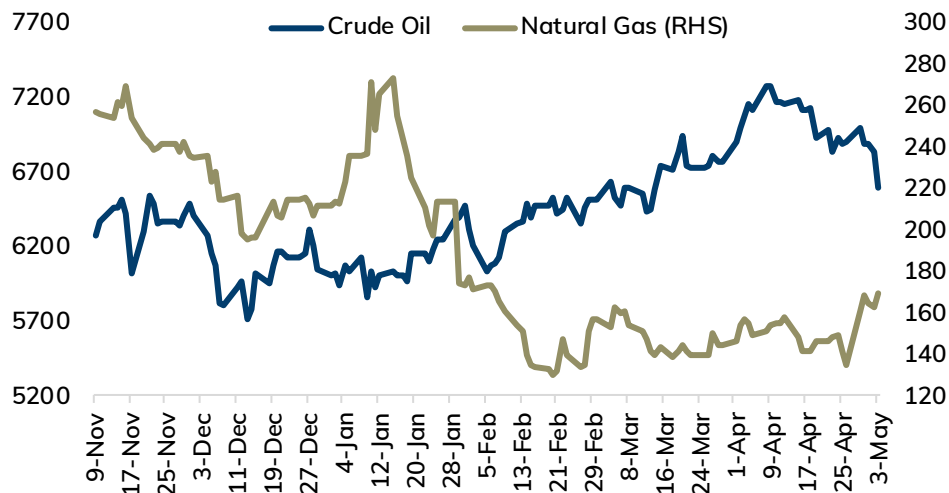
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to regain its strength amid tight supplies and hopes of fresh round of measures from China. In its latest meeting the officials aimed to keep the policy rates flexible to support the economy. Further, improved risk sentiments and optimism from the Chinese property sector would boost the prices to stay elevated. Meanwhile, investors will remain cautious ahead of the key US job data which could bring more clarity on the future move from the Fed.
- For the day MCX Copper May is likely to hold the support near 840 and move higher towards 855. Only a move below 840, it would turn weaker and test the next support at 833.
- Aluminum May future is expected to face the hurdle near 234 and move towards 228.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected face the hurdle near \$81 and move lower towards the \$78 on growing prospects of ceasefire between Israel and Hamas and higher US crude oil inventory. Ceasefire talks in Cairo tempered the fears of wider Middle East conflict and lowered the risk premiums in the oil prices. Further, declining gasoline demand ahead of key summer driving season would also weigh on oil prices. Meanwhile, focus will remain on key US Non-farm payroll numbers which could give further clarity on the future rate path from Fed.
- MCX Crude oil May future is expected to face the hurdle near 6700 and move towards the immediate support at 6500. Only a move above 6700 it would turn bullish.
- MCX Natural Gas May future is expected to hold the support at 160 and move higher towards 174.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	69795	70265	70772	71242	71749
Silver	78517	79233	79717	80433	80917
Copper	832.3	839.1	850.2	857.0	868.0
Aluminium	226.1	229.0	233.2	236.1	240.3
Zinc	249.8	253.3	255.7	259.3	261.7
Lead	189.0	189.9	190.7	191.5	192.3
Crude Oil	6494	6547	6613	6666	6732
Nat Gas	188	192	194	197	199

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.44	83.49	83.53	83.58	83.62
US\$INR (Jun)	83.54	83.59	83.62	83.67	83.70
EURINR (May)	89.09	89.22	89.43	89.55	89.76
EURINR (Jun)	89.46	89.54	89.69	89.77	89.92
GBPINR (May)	104.28	104.40	104.53	104.65	104.78
GBPINR (Jun)	104.52	104.56	104.64	104.68	104.76
JPYINR (May)	53.10	53.41	53.58	53.89	54.07
JPYINR (Jun)	53.60	54.10	54.40	54.90	55.20

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.30	105.76	-0.43%
US\$INR	83.47	83.44	0.04%
EURUSD	1.0725	1.0712	0.12%
EURINR	89.35	89.50	-0.17%
GBPUSD	1.2534	1.2527	0.06%
GBPINR	104.47	104.67	-0.19%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.160	7.186	-0.026
US	4.581	4.628	-0.0472
Germany	2.541	2.584	-0.043
UK	4.286	4.366	-0.08
Japan	0.901	0.891	0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
01-05-2024	8:00 PM	7.3M	-2.3M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	115275	-2100	-1.79%
Aluminium	489250	0	0.00%
Zinc	254875	0	0.00%
Lead	268725	-1500	-0.56%
Nickel	78780	258	0.33%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 29, 2024						
All Day	Europe	German Prelim CPI m/m	0.50%	0.60%	0.40%	High
12:30 PM	Europe	Spanish Flash CPI y/y	3.30%	3.40%	3.20%	Medium
Tuesday, April 30, 2024						
7:00 AM	China	Manufacturing PMI	50.4	50.3	50.8	High
7:00 AM	China	Non-Manufacturing PMI	51.2	52.2	53	Medium
7:15 AM	China	Caixin Manufacturing PMI	51.4	51	51.1	High
11:30 AM	Europe	German Retail Sales m/m	1.80%	-	-1.90%	Medium
1:30 PM	Europe	German Prelim GDP q/q	0.20%	0.10%	-0.30%	Medium
2:30 PM	Europe	CPI Flash Estimate y/y	2.40%	2.40%	2.40%	Medium
2:30 PM	Europe	Prelim Flash GDP q/q	0.30%	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	192K	179K	184K	High
7:30 PM	US	ISM Manufacturing PMI	49.2	50.1	50.3	High
7:30 PM	US	JOLTS Job Openings	8.49M	8.68M	8.76M	High
8:00 PM	US	Crude Oil Inventories	7.3M	-	-6.4M	Medium
11:30 PM	US	Federal Funds Rate	5.50%	5.50%	5.50%	High
Thursday, May 2, 2024						
6:00 PM	US	Unemployment Claims	208k	212K	207K	High
6:00 PM	US	Trade Balance	-69.4B	-69.3B	-68.9B	Medium
8:00 PM	US	Natural Gas Storage	59B	-	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



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