

November 21, 2024

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural gas	December	Buy	279-280	292	274	Intraday

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News and Developments

- Spot gold prices extended its rebound for 3rd day in a row and gained almost 3% this week amid safe haven buying. Escalating tension between Russia and Ukraine has outweighed the strong dollar and pushed the yellow metal to rise towards \$2650.
- Silver prices remained steady after a sharp rebound as the PBOC left key lending rates unchanged in line with expectation. Further, strong dollar also checked its upside.
- US Dollar index bounced back after three day slide as investors awaited more clues on new policies from the new administrations. Further, hawkish comments from Fed member Bowman were bullish for the dollar when she emphasized on cautious approach from Fed amid sticky inflation numbers.
- U.S. Treasury yields also reversed its losses and traded higher amid increased safe haven demand. Escalating tension in Eastern Europe and rising geopolitical risk has supported the yields to trade higher.
- NYMEX Crude oil prices steadied above the \$69 mark amid rising geopolitical tension but increase in supplies from US has checked its upside. Crude oil stocks in US gained marginally by 0.54M barrels last week. Further, gains in gasoline stocks by 2.05M barrels last week has also checked the upside in oil prices.
- Copper price extended its rebound for third day in a row despite of strong dollar. On top of it, People's Bank of China left key lending rates unchanged, in line with expectations, indicating no sign of relaxation in the near term.
- Natural gas prices made fresh 5-month high on Wednesday amid cooler weather forecast in US and improved export demand. Falling supply is also offering support for gas prices. The U.S. Natural Gas Association said supply dropped to 107.3-billion cubic feet on Tuesday.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	76034	0.59%	2650.6	0.70%
Silver	90089	-0.59%	30.85	-1.15%
Copper	817.8	0.79%	9089.5	0.02%
Aluminium	244.3	0.27%	2644.0	-0.02%
Zinc	279.2	0.29%	2987.5	1.24%
Lead	181.2	0.00%	2021.0	1.00%
WTI Crude Oil	5828	-0.32%	68.87	-0.75%
US Nat Gas	268.0	5.02%	3.19	6.50%

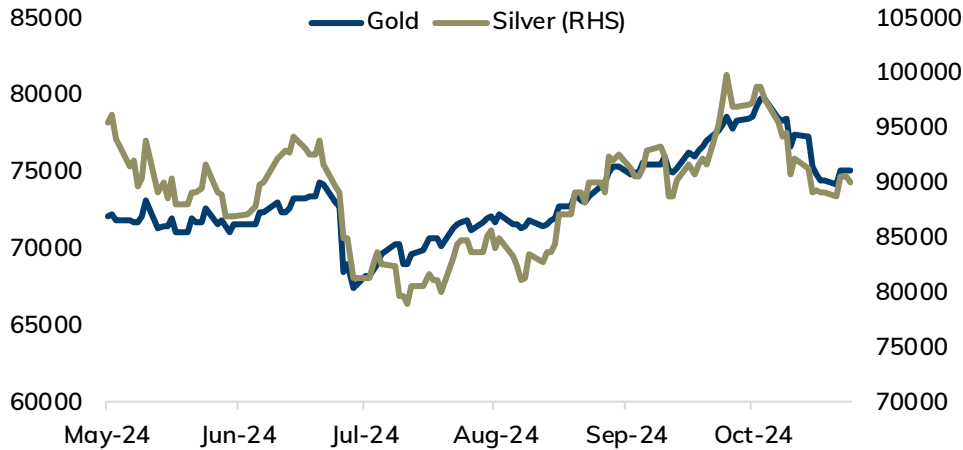
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th November)	84.45	0.01%	3577219	-15867	166665	30391
EURINR (27th November)	89.37	0.29%	21303	1907	6171	2437
GBPINR (27th November)	106.74	0.06%	31651	-215	3684	335

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	December	Buy	5750-5760	5880	5680	Not Initiated

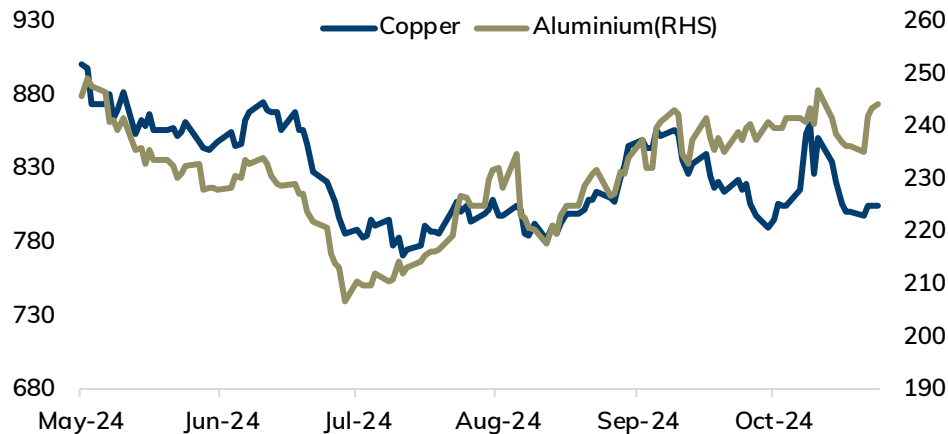
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to extend its rebound towards \$2680 amid safe haven buying. Escalating geopolitical tension between Russian and Ukraine and risk off sentiments could provide some support to the bullions. Meanwhile, diminishing probability of 25 bps interest rate cut by the Fed in December could restrict its upside. As per the CME Fed watch tool Dec rate cut has reduced to 56% from 82% a week ago. Now, focus will remain on speeches from the Fed members and key economic number's from US which could bring further volatility in price.
- Spot gold has formed a bullish engulfing pattern after rebounding from the 100 day EMA at \$2530, which could support the bullions to trade higher. MCX Gold December is expected to rise towards 76,700 as long as it holds above 50 day EMA at 75,600.
- Spot Silver is likely to hold the support of 100 day EMA at \$30.60 and rise towards \$31.50. MCX Silver is expected to move towards 91,500, as long as it holds above 89,000.

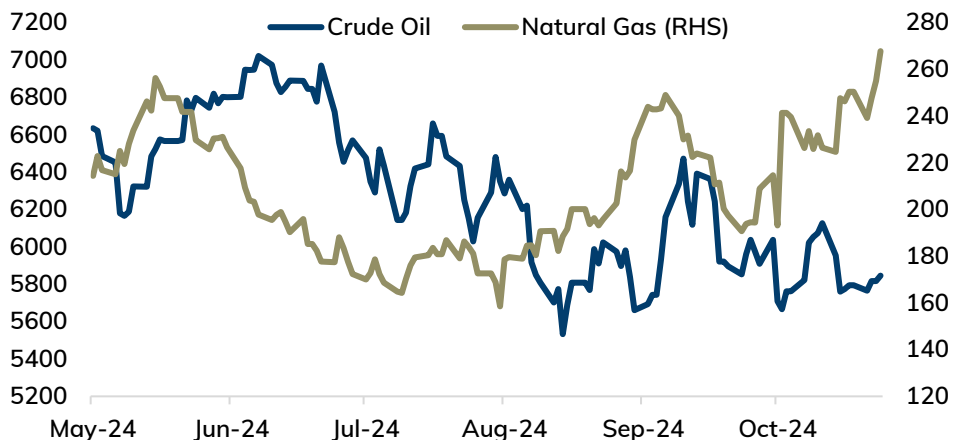
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to face stiff resistance and move lower due to demand uncertainty from China and risk off sentiments. Further, strong dollar and growing speculation over new tariff policies from US could hurt demand recovery. Meanwhile, depleting inventory levels and improved TC charges could provide some support to the base metals. Further, expectation of improvement in US existing home sales data could provide support to the base metals.
- MCX Copper November is expected to face the hurdle near 100 day EMA at 821 and move lower towards 810. Below 810 it would weaken further towards 805.
- MCX Aluminum Nov is expected move in a tight range of 242 and 246. Only a move above 246 it would rise towards 248.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold the support near \$68 and rebound towards \$70 amid escalating geopolitical tension between Russia and Ukraine. Further, prices may increase on speculation that OPEC+ may push back output increases again when they meet in December. Meanwhile, increasing inventory levels in US and demand concerns from China would limit its upside.
- On the data front, higher OI concentration at 70 call strike could act as immediate hurdle for price. MCX Crude oil December is likely to hold the support near 5750 and rise towards 5950. Only above 5950 it would rise towards 6050. Formation of bullish engulfing pattern indicates prices to hold firm above 5750.
- Natural gas November is expected to hold above 262 and move higher towards 280. A reduced drilling activity and forecast of colder weather would provide support to price.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	75117	75575	75875	76333	76633
Silver	88592	89341	90015	90764	91438
Copper	809.5	813.6	816.2	820.3	822.9
Aluminium	240.4	242.3	244.9	246.9	249.5
Zinc	277.3	278.3	279.7	280.6	282.0
Lead	180.5	180.8	181.4	181.8	182.4
Crude Oil	5757	5792	5856	5891	5955
Nat Gas	254	261	267	274	280

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	84.39	84.42	84.45	84.48	84.50
US\$INR (Dec)	84.52	84.55	84.56	84.59	84.60
EURINR (Nov)	88.74	89.05	89.38	89.69	90.02
EURINR (Dec)	90.39	90.07	90.39	90.07	90.39
GBPINR (Nov)	106.29	106.51	106.83	107.05	107.37
GBPINR (Dec)	105.76	106.52	105.76	106.52	105.76
JPYINR (Nov)	54.61	54.83	54.96	55.19	55.32
JPYINR (Dec)	56.43	55.86	56.43	55.86	56.43

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	106.68	106.21	0.45%
US\$INR	84.42	84.40	0.02%
EURUSD	1.0544	1.0596	-0.49%
EURINR	89.06	89.18	-0.13%
GBPUSD	1.2652	1.2682	-0.24%
GBPINR	106.60	106.60	0.00%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.846	6.856	-0.01
US	4.410	4.396	0.01
Germany	2.351	2.338	0.01
UK	4.469	4.442	0.03
Japan	1.077	1.068	0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
11/20/2024	8:00 PM	0.5M	-0.1M
11/14/2024	8:00 PM	2.1M	0.4M
11/6/2024	8:00 PM	2.1M	0.3M
10/30/2024	8:00 PM	-0.5M	1.5M
10/23/2024	8:00 PM	5.5M	0.9M
10/17/2024	8:30 PM	-2.2M	1.8M
10/9/2024	8:00 PM	5.8M	2.0M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	271850	-125	-0.05%
Aluminium	711400	-2500	-0.35%
Zinc	268325	7375	2.83%
Lead	276050	-200	-0.07%
Nickel	159408	144	0.09%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, November 18, 2024						
Day 1	All	G20 Meetings	-	-	-	High
Tuesday, November 19, 2024						
3:30 PM	UK	Monetary Policy Report Hearings	-	-	-	High
7:00 PM	US	Building Permits	1.42M	1.44M	1.43M	Medium
7:00 PM	US	Housing Starts	1.31M	1.34M	1.35M	Medium
Wednesday, November 20, 2024						
6:30 AM	China	1-y Loan Prime Rate	3.10%	3.10%	3.10%	Medium
6:30 AM	China	5-y Loan Prime Rate	3.60%	3.60%	3.60%	Medium
12:30 PM	UK	CPI y/y	2.30%	2.20%	1.70%	High
9:00 PM	US	Crude Oil Inventories	0.5M	-0.1M	2.1M	Medium
Thursday, November 21, 2024						
7:00 PM	US	Unemployment Claims	-	220K	217K	High
7:00 PM	US	Philly Fed Manufacturing Index	-	6.3	10.3	Medium
8:30 PM	US	Existing Home Sales	-	3.94M	3.84M	Medium
9:00 PM	US	Natural Gas Storage	-	-	42B	Medium
Friday, November 22, 2024						
6:00 AM	Japan	Flash Manufacturing PMI	-	49.5	49.2	Medium
12:30 PM	UK	Retail Sales m/m	-	-0.30%	0.30%	High
1:45 PM	Europe	French Flash Manufacturing PMI	-	44.6	44.5	High
2:00 PM	Europe	German Flash Manufacturing PMI	-	43.1	43	High
2:30 PM	Europe	Flash Manufacturing PMI	-	46	46	Medium
3:00 PM	UK	Flash Manufacturing PMI	-	50.1	49.9	High
3:00 PM	UK	Flash Services PMI	-	52.3	52	High
8:15 PM	US	Flash Manufacturing PMI	-	-	48.5	High
8:15 PM	US	Flash Services PMI	-	-	55	High



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