

December 6, 2024

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	January	Sell	76100-76150	75400	76500	Intraday

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News and Developments

- Spot gold prices traded lower despite weak dollar. Prices pared all its gains and edged lower amid strong treasury yields and waning safe haven demand. Hawkish comments from Fed member on rate cuts has pushed the yields higher. Further, easing of political turmoil in France also curbed safe-haven demand for precious metals.
- The U.S dollar index gave up its early advances after weekly jobless claims rose more than expected to a 6-week high. US weekly initial unemployment claims rose +9,000 to a 6-week high of 224,000, showing a weaker labor market than expectations of 215,000. Meanwhile, hawkish comments from Fed members supported the treasury yields to stay higher and limited the downside in the dollar.
- US treasury yield traded higher after the Fed member emphasized on no urgency of rate cuts. Meanwhile, most likely chance of a 25 bps interest rate cut by the Fed in December meeting restricted its upside.
- NYMEX Crude oil prices pared all its gains and traded lower after the OPEC+ nations agreed for a gradual unwinding of 2.2 million bpd from April 2025 in a phased manner until September 2026. Moreover, they agreed to allow UAE to raise its output by 300000 bpd from April to September 2026. Meanwhile, downside got limited after they agreed to extend the 2 Million bpd and 1.65 Mbpd of cuts until the end of 2026 from the end of 2025.
- Base metal prices remained in a tight amid tariff concerns. Further most investors awaited outcome from the Politburo meeting to get further clarity on the measures.
- NYMEX Natural gas prices edged higher despite a smaller than expected drawdown in weekly inventory levels. US utilities withdrew 30 billion cubic feet of natural gas from storage against expectations of a 43 billion cubic feet draw

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	76476	-0.80%	2631.7	-0.69%
Silver	92424	-0.93%	31.31	0.02%
Copper	820.2	-0.21%	9074.5	-0.09%
Aluminium	246.1	0.04%	2639.0	-0.28%
Zinc	289.0	0.54%	3118.5	0.63%
Lead	182.6	0.16%	2098.5	0.58%
WTI Crude Oil	5805	-0.74%	68.30	-0.35%
US Nat Gas	260.3	0.62%	3.08	1.18%

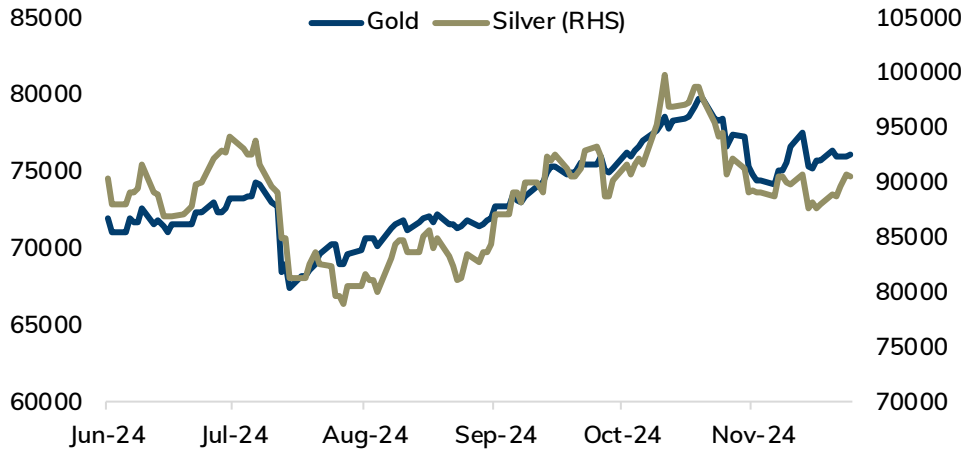
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th December)	84.82	-0.06%	3367047	8372	169605	28324
EURINR (27th December)	89.36	0.13%	10898	280	2809	-101
GBPINR (27th December)	108.03	0.34%	28229	1105	2129	-4520

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	December	Buy	819.50-820	827	816	Profit Booked

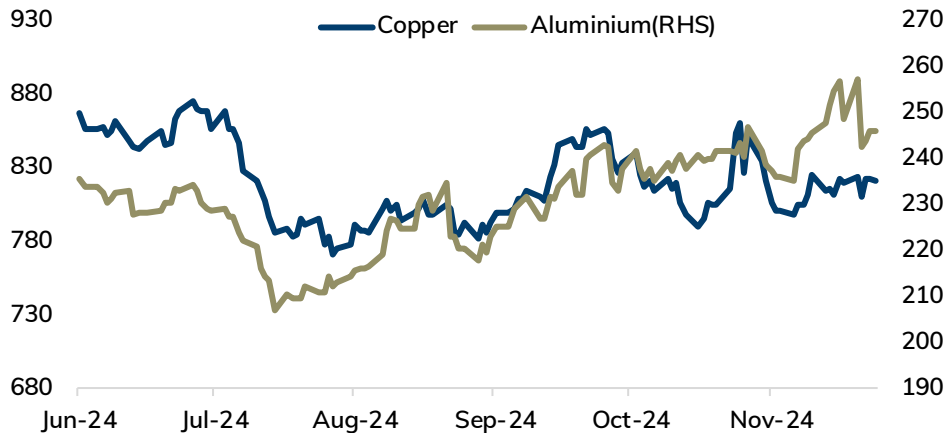
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to face the hurdle near \$2665 and move lower towards \$2620 amid strong dollar and higher treasury yields. Cautious approach from the Fed on rate reduction amid strong economic numbers would reduce the chance of rate reduction in 2025. Further, expectation of better job numbers could also support the Fed to turn hawkish and take more restrictive steps in the coming year. The only factor that could provide support to prices would be global uncertainties.
- Spot gold is likely to move towards the lower band of the consolidation range \$2600 - \$2660. A move below \$2600 would weaken the metal further towards \$2575. Formation of a bearish engulfing pattern indicates weakness in price. MCX Gold February is expected to move towards 75,400, as long as it trades under 77,000. Below 75,400 it would slide towards 74,800.
- MCX Silver March is expected to face the hurdle near 94,000 and weaken towards 90,000.

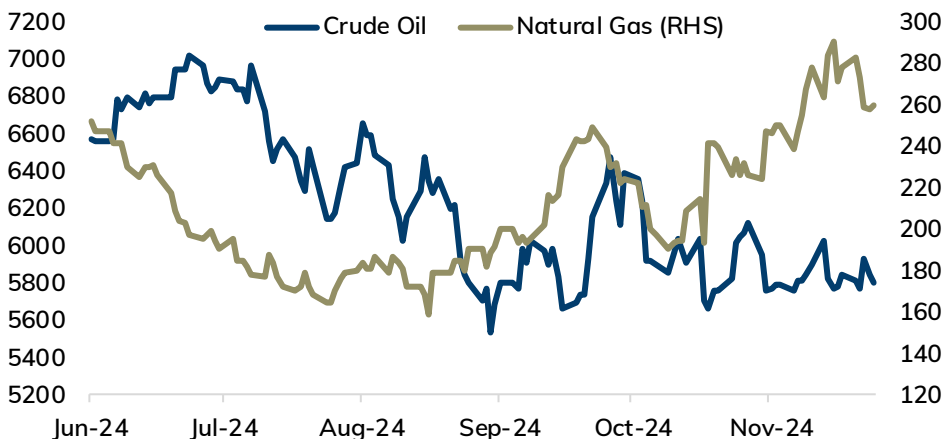
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to move in a range amid lack of clarity on the stimulus from China. Upside in the metal could be restricted amid strong dollar, where as hopes of further liquidity injection by China could provide support to the base metal. Further, slowdown in imports and decline in premiums indicates sluggish growth in domestic consumption. Now the focus will shift towards US non-farm payroll numbers, which could bring more clarity on the Fed stance on rate cuts in the coming year.
- MCX Copper December is expected to hold the support of 20 day EMA 816 and move higher towards 827. Reversal in the oscillator would also indicate an upward movement in the red metal. Only a move below 816 it would turn weaker and slide towards 810.
- Aluminum is expected to hold above 243 and move towards 248 amid higher global premiums and supply concerns from China.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to face the hurdle near \$69.50 and move lower towards \$67 as OPEC+ decision to extended its current run of supply cuts until well into 2025, emphasized increased concerns over slowing demand. Rising production by Non-OPEC nations and weaker demand from China would hurt oil prices. Meanwhile, sanction on Iranian oil by US and hopes of fresh round of stimulus from China could limit its downside.
- On the data front, higher OI concentration observed in the \$70 strike call, which could act as major resistance. Further, a bearish cross over of 20 and 50 day EMA indicates price to face the hurdle near \$70 and move towards \$67. MCX Crude oil December is likely to face the hurdle near 6900 and move lower towards 6750. Below 6750 it would open the doors towards 6600.
- Natural gas December future is expected to trade higher on forecast of cold US weather. MCX December future is expected to rise towards 268, as long as it holds above 20 day EMA at 254.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	75894	76185	76692	76983	77490
Silver	91648	92036	92699	93087	93750
Copper	814.6	817.4	822.2	825.0	829.7
Aluminium	245.1	245.6	246.2	246.7	247.3
Zinc	285.7	287.3	288.9	290.5	292.1
Lead	181.5	182.0	182.5	183.1	183.6
Crude Oil	5715	5760	5815	5860	5915
Nat Gas	254	257	262	266	271

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Dec)	84.76	84.79	84.83	84.86	84.90
US\$INR (Jan)	84.90	84.94	84.98	85.03	85.07
EURINR (Dec)	89.14	89.25	89.40	89.51	89.66
EURINR (Jan)	91.04	90.59	91.04	90.59	91.04
GBPINR (Dec)	107.62	107.83	107.95	108.15	108.28
GBPINR (Jan)	107.81	108.24	107.81	108.24	107.81
JPYINR (Dec)	56.46	56.53	56.91	56.98	57.36
JPYINR (Jan)	58.31	57.63	58.31	57.63	58.31

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.71	106.32	-0.57%
US\$INR	84.73	84.74	-0.01%
EURUSD	1.0586	1.0511	0.71%
EURINR	89.21	88.99	0.25%
GBPUSD	1.2759	1.2701	0.46%
GBPINR	107.80	107.42	0.35%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.680	6.685	0.00
US	4.176	4.180	0.00
Germany	2.111	2.061	0.05
UK	4.281	4.249	0.03
Japan	1.071	1.066	0.00

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
04-12-2024	9:00 PM	-5.1M	-1.6M
27-11-2024	9:00 PM	-1.8M	-1.3M
20-11-2024	9:00 PM	0.5M	-0.1M
14-11-2024	9:00 PM	2.1M	0.4M
06-11-2024	9:00 PM	2.1M	0.3M
30-10-2024	8:00 PM	-0.5M	1.5M
23-10-2024	8:00 PM	5.5M	0.9M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	270525	2025	0.75%
Aluminium	687125	-2600	-0.38%
Zinc	277800	-300	-0.11%
Lead	271375	-150	-0.06%
Nickel	165384	732	0.44%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, December 2, 2024						
7:15 AM	China	Caixin Manufacturing PMI	51.5	50.6	50.3	Medium
8:30 PM	US	ISM Manufacturing PMI	48.4	47.7	46.5	High
Tuesday, December 3, 2024						
8:30 PM	US	JOLTS Job Openings	7.74M	7.49M	7.44M	High
Wednesday, December 4, 2024						
7:15 AM	China	Caixin Services PMI	51.5	52.5	52	Medium
6:45 PM	US	ADP Non-Farm Employment Change	146K	166K	233K	High
8:30 PM	US	ISM Services PMI	52.1	55.5	56	High
9:00 PM	US	Crude Oil Inventories	-5.1M	-	-1.8M	Medium
Thursday, December 5, 2024						
12:15 AM	US	Fed Chair Powell Speaks	-	-	-	High
12:30 PM	Europe	German Factory Orders m/m	-1.50%	-2%	4.20%	Medium
3:00 PM	UK	Construction PMI	55.2	53.5	54.3	Medium
All Day	All	OPEC-JMMC Meetings	-	-	-	High
7:00 PM	US	Unemployment Claims	224K	215K	213K	High
9:00 PM	US	Natural Gas Storage	-30B	-	-2B	Medium
Friday, December 6, 2024						
12:30 PM	Europe	German Industrial Production m/m	-	1%	-2.50%	Medium
7:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.40%	High
7:00 PM	US	Non-Farm Employment Change	-	202K	12K	High
7:00 PM	US	Unemployment Rate	-	4.20%	4.10%	High
8:30 PM	US	Prelim UoM Consumer Sentiment	-	73.1	71.8	Medium



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