

March 14, 2024

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# Daily Currency & Commodities Outlook

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## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	April	Buy	6480-6500	6650	6400	Intraday
USDINR	March	Buy	82.82-82.83	82.96	82.72	Intraday

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## News and Developments

- Spot gold prices ended on the positive note gaining more than 0.7% yesterday buoyed by weakness in dollar. Further, prices rose as investors held on to the hopes that US Federal Reserve will cut interest rate in June meeting despite of hotter than expected inflation data. Additionally, escalating geopolitical tensions in Middle East and Ukraine kept bullion's safe haven demand intact
- Dollar index drifted lower yesterday as investors consolidated gains ahead of slew of economic data from US that could put some light on when the Federal Reserve might start cutting interest rates this year
- As per CME Fedwatch tool, expectations for Fed to cut rate in June slipped to 58.2% from 62.6% a day ago while, prospects of no rate cut increased to 34.3% from 30.7% a day ago
- Yield on benchmark US 10-year treasury note rose to 4.192% and 2-year treasury yield, which typically moves in step with interest rate expectations edged higher to 4.639%.
- Crude oil prices ended on the positive note gaining more than 2% yesterday buoyed by weakness in dollar and surprise withdrawal in US crude oil inventories. Further, prices rallied on potential supply disruption after Ukrainian attacks on Russian refineries
- As per EIA crude oil inventories fell by roughly 1.5 million barrels in the week ended 8<sup>th</sup> March. Gasoline inventories fell by about 5.7 million barrels while distillate stocks unexpectedly rose by 888,000 barrels
- Copper prices rallied more than 3% yesterday and soared to their highest in 11 months amid weakness in dollar and after Chinese smelters, which process half of the world's mined copper, agreed on a joint production cut. China's biggest copper smelters met in Beijing, agreeing on a symbolic cut in money losing production, without specifying volumes and timing

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	65897	0.64%	2174.41	0.74%
Silver	75170	1.79%	25.01	3.57%
Copper	752.9	2.30%	8927.00	3.12%
Aluminium	204.3	0.17%	2264.00	-0.04%
Zinc	224.5	0.63%	2576.00	0.59%
Lead	181.9	0.17%	2169.00	1.17%
WTI Crude Oil	6579	2.05%	79.72	2.78%
US Nat Gas	140.1	-1.13%	1.66	-3.27%

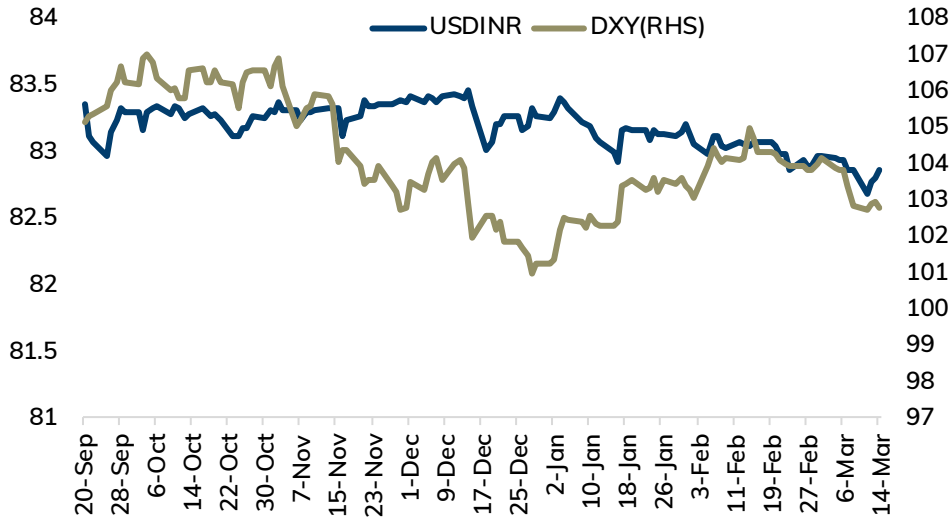
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Mar)	82.86	0.07%	3061919	1074	1397067	155663
EURINR (26th Mar)	90.62	0.08%	135742	3675	89390	11551
GBPINR (26th Mar)	105.97	0.06%	252493	2855	132587	-25505

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	April	Sell	35400-65420	65000	65650	Stoploss Triggered
USDINR	March	Buy	82.80-82.81	82.96	82.70	Profit Booked

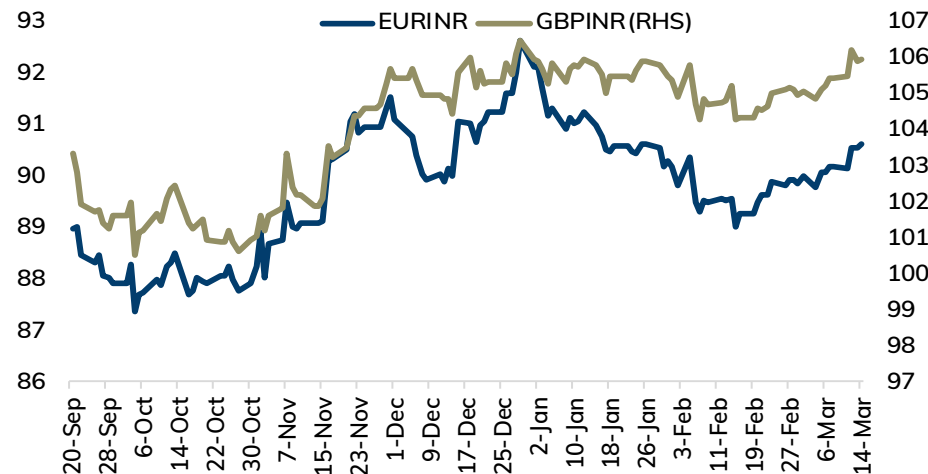
## Dollar Index vs. US\$INR



## Rupee Outlook

- Rupee depreciated against the dollar yesterday amid weakness in the domestic equities. Further higher US treasury yields due to sticky US inflation numbers also supported the USDINR pair to recover from its 6-month lows.
- Rupee is likely to move in a tight range of 82.75-83.00 ahead of the key economic numbers from US. The pair could rise towards the higher band amid diminishing probability of early rate cut. Forecast of improved retail sales numbers and rise in PPI numbers would support the dollar to edge higher. Meanwhile, strong inflows into the domestic markets could favor the rupee to trim its losses. USDINR March likely to consolidate in the band of 82.75-83.00. Only close above 83.00 it would test 83.10.

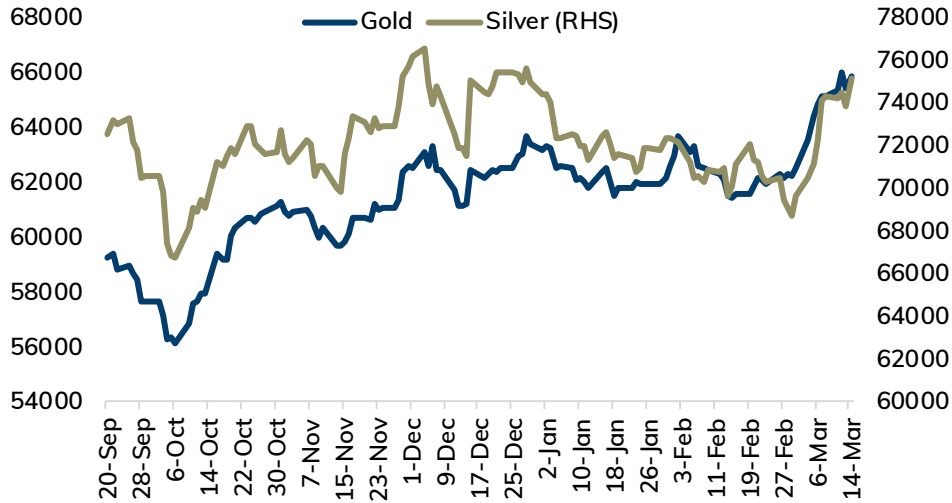
## EURINR vs. GBPINR



## Euro and Pound Outlook

- Euro edged higher yesterday amid softness in the US dollar. The pair recovered from its days lows despite weaker Eurozone industrial production data. For today, EURUSD is likely remain in the range of 1.0980 and 1.0920 as most investors awaited further clarity on timing of interest rate cut. Meanwhile, increasing probability of 25 bps rate cut would check its upside. EURINR March may face the hurdle at 90.80 level and slide towards 90.40 levels
- Pound recovered its earlier losses after GDP in the region rebounded by 0.2% last month. But the weaker industrial production numbers restricted its upside. The pair is likely to face stiff resistance near 1.2830 amid expectation of weak economic numbers. GBPINR March is likely to move south towards 105.80 level as long as it stays below 106.25 levels

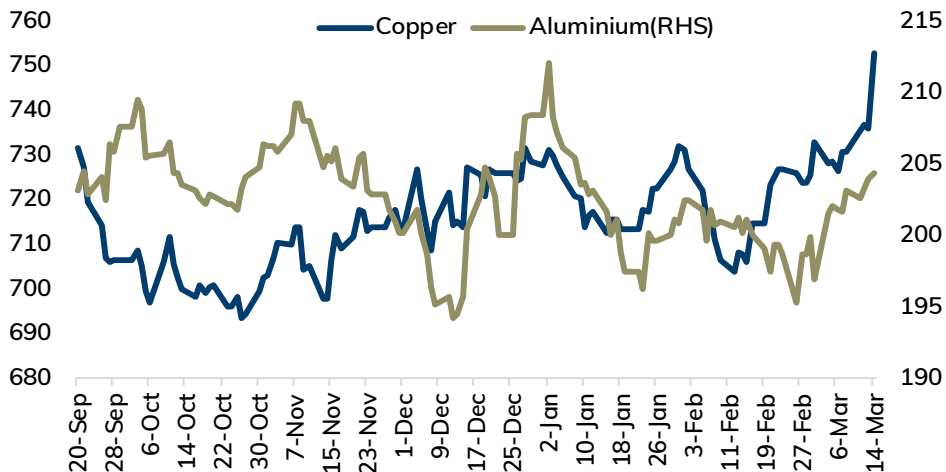
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to hold the support near \$2160 levels and rise further towards \$2190 levels amid expectation of further weakness in dollar and softening of US treasury yields. Dollar is likely to move south as mixed batch of economic data from US kept an anticipated June interest rate cut from the Fed on the table. Additionally, demand for safe haven may increase on mounting tension in Middle East and Russia. Meanwhile, investors will remain cautious ahead of US retail sales, the producer price index and the weekly initial jobless claims data to get fresh cues on interest rate trajectory
- MCX Gold April prices is likely to rise further towards 66,200 level as long as it stays above 65,600 levels
- MCX Silver May is expected to follow gold and rise further towards 75,800 level as long as it sustains above 74,300 level.

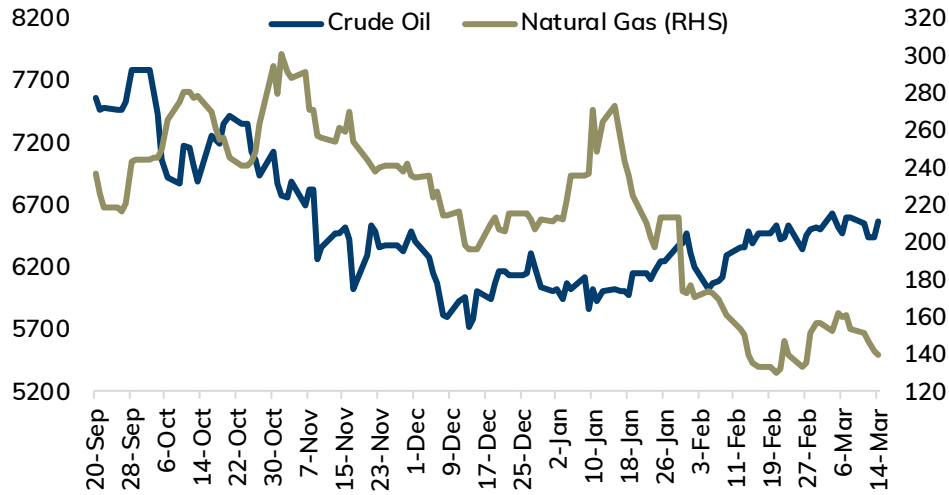
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade with positive bias buoyed by weakness in dollar and on concerns for refined copper supply after Chinese smelters agreed on a joint production cut to cope with raw material tightness. Further, prices may move north on persistent decline in LME inventories coupled with a rise in cancel warrants.
- MCX Copper is expected to move north towards 758 level as long as it stays above 745 level. A move above 758 would open the doors for 762 levels.
- Aluminum is expected to rise further towards 206 level as long as it stays above 203.50 level.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$81 amid weakness in dollar and as unexpected draw in US crude oil inventories signals rising demand. Additionally, Russia's refineries are facing disruption due to Ukrainians attack. Moreover, IEA monthly report will be closely watched for clues about supply and demand outlook after OPEC stuck to its forecast of a strong oil demand growth in coming years. Additionally, hotter than expected inflation data did little to change expectations that Fed would begin cutting rates later this year. Lower rates can boost economic growth and support oil demand
- MCX Crude oil is likely to rise towards 6700 levels as long as it trades above 6400 levels.
- MCX Natural gas is expected to slip further towards 132 level as long as it trades below 145 level

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	65212	65555	65792	66135	66372
Silver	73143	74156	74714	75727	76285
Copper	729.6	741.3	748.1	759.7	766.5
Aluminium	203.2	203.7	204.4	204.9	205.6
Zinc	222.4	223.4	224.3	225.3	226.1
Lead	179.2	180.6	181.4	182.7	183.5
Crude Oil	6376	6478	6535	6637	6694
Nat Gas	136	138	140	143	145

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	82.74	82.80	82.87	82.93	83.00
US\$INR (Apr)	82.84	82.90	82.96	83.01	83.08
EURINR (Mar)	90.45	90.54	90.59	90.68	90.73
EURINR (Apr)	90.61	90.69	90.75	90.83	90.88
GBPINR (Mar)	105.75	105.86	105.96	106.08	106.18
GBPINR (Apr)	105.81	105.92	106.02	106.13	106.23
JPYINR (Mar)	55.98	56.07	56.24	56.33	56.49
JPYINR (Apr)	56.35	56.45	56.64	56.74	56.92

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	102.79	102.96	-0.16%
US\$INR	82.86	82.78	0.10%
EURUSD	1.0948	1.0927	0.19%
EURINR	90.51	90.49	0.03%
GBPUSD	1.2797	1.2793	0.03%
GBPINR	105.86	105.88	-0.01%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.041	7.027	0.014
US	4.190	4.151	0.0392
Germany	2.366	2.330	0.036
UK	4.021	3.946	0.075
Japan	0.767	0.770	-0.003

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
3/13/2024	8:00 PM	-1.5M	0.9M
3/6/2024	9:00 PM	1.4M	2.4M
2/28/2024	9:00 PM	4.2M	3.1M
2/22/2024	9:30 PM	3.5M	3.9M
2/14/2024	9:00 PM	12.0M	3.3M
2/7/2024	9:00 PM	5.5M	1.7M
1/31/2024	9:00 PM	1.2M	-0.8M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	108925	-1975	-1.78%
Aluminium	572925	-2750	-0.48%
Zinc	267750	-2100	-0.78%
Lead	191875	0	0.00%
Nickel	74544	972	1.32%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, March 11, 2024						
10:30 PM	UK	MPC Member Mann Speaks	-	-	-	Medium
Tuesday, March 12, 2024						
12:30 PM	UK	Claimant Count Change	16.8K	20.3K	14.1K	High
12:30 PM	UK	Average Earnings Index 3m/y	5.60%	5.70%	5.80%	High
5:30 PM	India	CPI y/y	5.09%	5.02%	5.10%	High
6:00 PM	US	CPI y/y	3.20%	3.10%	3.10%	High
Wednesday, March 13, 2024						
12:30 PM	UK	GDP m/m	0.20%	0.20%	-0.10%	High
3:30 PM	Europe	Industrial Production m/m	-0.20%	-1.40%	2.60%	Medium
8:00 PM	US	Crude Oil Inventories	(-1.5)M	-	1.4M	Medium
Thursday, March 14, 2024						
6:00 PM	US	PPI m/m	-	0.30%	0.30%	High
6:00 PM	US	Retail Sales m/m	-	0.80%	-0.80%	High
6:00 PM	US	Unemployment Claims	-	218K	217K	High
8:00 PM	US	Natural Gas Storage	-	-	-40B	Medium
Friday, March 15, 2024						
3:30 PM	India	Trade Balance	-	-	-17.49B	Medium
6:00 PM	US	Empire State Manufacturing Index	-	-7.6	-2.4	High
6:45 PM	US	Industrial Production m/m	-	0.00%	-0.10%	Medium
7:30 PM	US	Prelim UoM Consumer Sentiment	-	77.3	76.9	High
7:30 PM	US	Prelim UoM Inflation Expectations	-	-	3%	Medium



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