

June 3, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	June	Buy	6440-6450	6600	6350	Intraday

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News and Developments

- Spot gold prices eased on Friday losing 0.7%, while Silver slipped more than 2.5% despite of dollar and yields sagged following inflation data
- Dollar index slipped by 0.11% on Friday and its first monthly decline in 2024 after data showed US inflation rose in line with expectations in April, reinforcing expectations that US Fed would soon be able to cut interest rates
- The personal consumption expenditures (PCE) price index increased 0.3% last month, matching the unrevised gain in March. In the 12 months to April, the PCE price index rose 2.7% after climbing by the same percentage in March. Core PCE, excluding volatile items, rose 0.2% from March, also matching expectations, and down from 0.3% a month earlier
- US Treasury yields fell on Friday after data showed inflation steadied in April, signifying that Fed's interest rate cut plans later this year remained intact. Additionally, Consumer spending increased by 0.2%, but down from a downwardly revised 0.7% rise in March. Yield on benchmark US 10-year treasury note slipped to 4.502% and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower to 4.879%.
- Crude oil prices settled lower on Friday losing almost 1% and posted a weekly loss as investors awaited an OPEC+ meeting, that will determine the fate of the producer group's output cuts. Additionally, as per EIA US crude oil production rose in March to its highest level this year. Meanwhile, sharp fall was cushioned as the total rig count fell for the third month in a row in May, dropping by 13, the most in a month since August
- Copper prices slipped on Friday as China's manufacturing activity fell unexpectedly in May, raising concerns over demand. The official manufacturing purchasing managers' index dropped to 49.5 in May from 50.4 in April

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71886	-0.01%	2327.33	-0.67%
Silver	91570	-2.71%	30.41	-2.45%
Copper	871.8	-0.62%	10040.00	-0.94%
Aluminium	240.9	-1.07%	2652.50	-1.89%
Zinc	265.6	-2.17%	2969.50	-3.32%
Lead	191.7	0.08%	2273.00	-0.18%
WTI Crude Oil	6453	-0.54%	76.99	-1.18%
US Nat Gas	215.2	-0.83%	2.59	0.58%

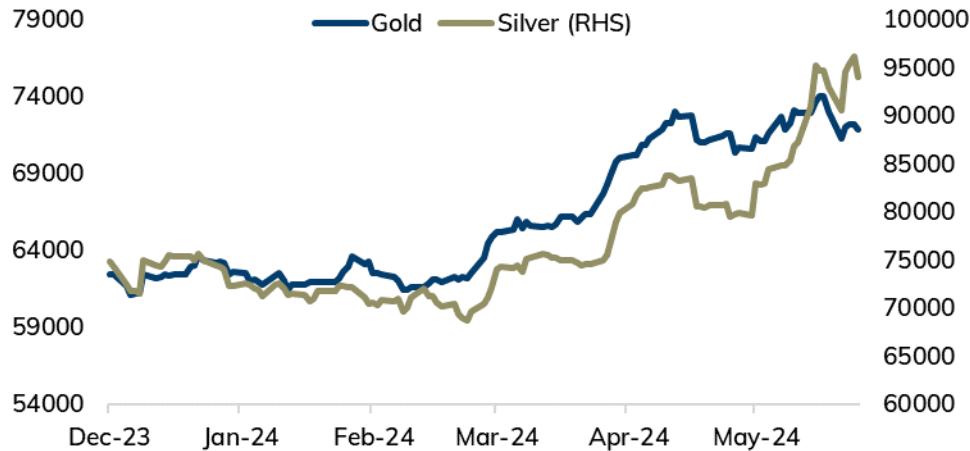
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.50	0.16%	2282218	242914	626183	313572
EURINR (26th June)	90.56	0.37%	17733	2940	4746	622
GBPINR (26th June)	106.09	0.14%	15924	806	2268	-1821

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	June	Sell	6500-6510	6350	6600	Profit Booked

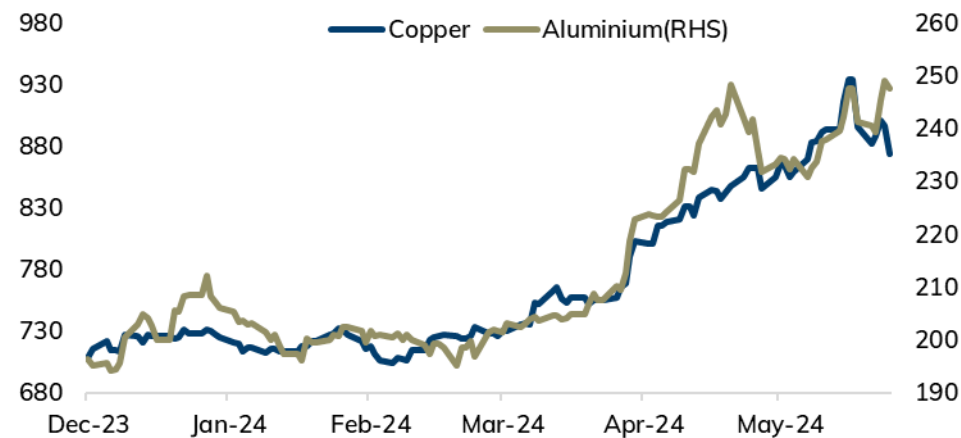
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to hold the support near \$2315 level and rise back towards \$2345 level amid weakness in dollar and decline in US treasury yields. Dollar and Yields are moving south as recent data showed inflation in US is stabilizing and not getting worsen and may even continue to ease faster than previously thought boosting hopes that US Fed would start cutting rates sooner this year. Financial markets initially expected the first rate cut to come in March, but it then got pushed to June and now to September. On top of it, US ISM Manufacturing PMI data is likely to show that activity in sector contracted for 2nd consecutive month, supportive for gold
- MCX Gold Aug prices is likely to rise back towards 72,200 level (10-Day EMA) as long as it stays above 71,600 level. A break above 72,200 level prices may rise further towards 72,700 level.
- MCX Silver July is expected to slip further towards 90,100 level (20-Day EMA) as long as it stays below 92,600 level (10-Day EMA)

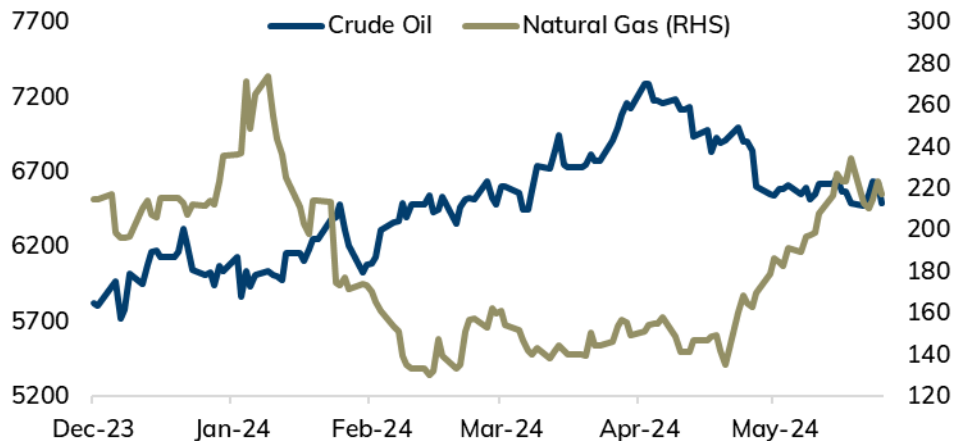
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with the positive bias amid weakness in dollar and rise in risk appetite in the global markets. Data showed US inflation stabilizing in April, reinforcing expectations that US Fed would start cutting rates this year. On top of it, even though euro zone inflation rose more than expected in May, market expects European Central Bank to start lowering borrowing costs soon. Lower borrowing cost would be supportive for economic activity and increase demand for industrial metal. Additionally, on supply side, Chile registered its lowest month of copper production in more than a year
- MCX Copper is expected to rise back towards 885 level (20-Day EMA) as long as it stays above 865 level. A break above 885 level prices may rally further towards 892 level (10-Day EMA)
- Aluminum is expected to move south towards 238 level as long as it stays below 243 level.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise back towards \$78.50 level amid weakness in dollar and optimistic global market sentiments. Further, OPEC+ agreed to extend most of its deep oil output cuts well into 2025. OPEC+ decided to extend the cuts of 3.66 Mbpd by a year until the end of 2025 and prolong the voluntary output cuts of 2.2 Mbpd by three months until the end of September 2024. Members are currently cutting output by a total of 5.86 Mbpd or about 5.7% of global demand. NYMEX Crude oil is likely to rise back towards \$78.50 level (20-Day EMA) as long as it trades above \$76.30 level
- MCX Crude oil June is likely to rise back towards 6600 levels (200-Day EMA) as long as it stays above 6350 level
- MCX Natural gas June is expected to rise towards 225 level as long as it stays above 215 level (10-Day EMA). A break above 225 level prices may rally further towards 232 levels

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71344	71615	72032	72303	72720
Silver	88897	90233	92692	94028	96487
Copper	858.9	865.4	873.7	880.1	888.4
Aluminium	235.7	238.3	242.6	245.2	249.5
Zinc	259.6	262.6	267.6	270.6	275.5
Lead	188.6	190.2	191.8	193.4	195.0
Crude Oil	6328	6390	6476	6538	6624
Nat Gas	208	211	214	218	221

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	83.18	83.34	83.45	83.61	83.71
US\$INR (July)	83.32	83.45	83.54	83.67	83.76
EURINR (June)	89.96	90.26	90.46	90.76	90.95
EURINR (July)	90.39	90.69	90.62	90.92	90.85
GBPINR (June)	105.78	105.94	106.06	106.22	106.34
GBPINR (July)	105.77	105.93	106.00	106.16	106.23
JPYINR (June)	53.22	53.30	53.37	53.45	53.52
JPYINR (July)	53.89	53.90	53.90	53.91	53.91

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.67	104.72	-0.04%
US\$INR	83.47	83.32	0.18%
EURUSD	1.0848	1.0832	0.15%
EURINR	90.53	90.08	0.50%
GBPUSD	1.2742	1.2732	0.08%
GBPINR	106.21	105.91	0.28%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.979	6.997	0.00
US	4.499	4.546	-0.01
Germany	2.664	2.652	0.00
UK	4.318	4.347	-0.01
Japan	1.070	1.064	0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
5/30/2024	8:30 PM	-4.2M	-1.6M
5/22/2024	8:00 PM	1.8M	-2.4M
5/15/2024	8:00 PM	-2.5M	-0.4M
5/8/2024	8:00 PM	-1.4M	-1.0M
5/1/2024	8:00 PM	7.3M	-2.3M
4/25/2024	8:00 PM	-6.4M	1.6M
4/17/2024	8:00 PM	2.7M	1.6M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	116475	-1650	-1.40%
Aluminium	1116650	-3400	-0.30%
Zinc	257025	5250	2.09%
Lead	185400	-2875	-1.53%
Nickel	83730	96	0.11%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 03, 2024						
7:15 AM	China	Caixin Manufacturing PMI		51.60	51.40	Medium
1:30 PM	Europe	Final Manufacturing PMI		51.30	51.30	Medium
2:00 PM	UK	Final Manufacturing PMI		51.30	51.30	Medium
7:15 PM	US	Final Manufacturing PMI		50.90	50.90	High
7:30 PM	US	ISM Manufacturing PMI		49.80	49.20	High
Tuesday, June 04, 2024						
1:25 PM	Europe	German Unemployment Change		7k	10k	Medium
7:30 PM	US	JOLTS Job Openings		8.4M	8.49M	High
Wednesday, June 05, 2024						
1:30 PM	Europe	Final Services PMI		53.30	53.30	Medium
7:30 PM	UK	Final Services PMI	-	52.90	52.90	Medium
5:45 PM	US	ADP Non-Farm Employment Change		175k	192k	High
7:30 PM	US	ISM Services PMI		51.00	49.40	High
8:00 PM	US	Crude Oil Inventories	-		(-4.2)M	Medium
Thursday, June 06, 2024						
2:00 PM	UK	Construction PMI		52.50	53.00	Medium
5:45 PM	Europe	Main Refinancing Rate		4.25%	4.50%	High
6:00 PM	US	Unemployment Claims		215k	219k	Medium
6:15 PM	Europe	ECB Press Conference		-	-	High
8:00 PM	US	Natural Gas Storage	-	-	78B	Medium
Friday, June 07, 2024						
Tentative	China	Trade Balance			72.4B	Medium
10:00 AM	India	RBI Interest Rate Decision		6.5%	6.5%	High
11:30 AM	Europe	German Industrial Production m/m		0.1%	-0.4%	Medium
2:30 PM	Europe	Revised GDP q/q		0.3%	0.3%	Medium
6:00 PM	US	Average Hourly Earnings m/m		0.3%	0.2%	High
6:00 PM	US	Non-Farm Employment Change		185k	175k	High
6:00 PM	US	Unemployment Rate		3.9%	3.9%	High



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