

June 5, 2024

# Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	June	Sell	867-868	858	873	Intraday

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## News and Developments

- Spot gold prices edged lower yesterday losing more than 1% while, silver prices slipped more than 4% as the dollar steadied ahead of US Non-farm payrolls data, which could set the tone for the Federal Reserve's interest rate strategy. Meanwhile, sharp fall was cushioned as JOLTS report showed that US job openings fell more than expected in April to their lowest in more than 3 years.
- Job openings were down 296,000 to 8.059 million on the last day of April, the lowest since February 2021. US factory orders, on the other hand, rose for a 3<sup>rd</sup> consecutive month in April, boosted by demand for transportation equipment. Data showed factory orders rose 0.7%, matching the revised pace in March
- US Treasury yields fell to an almost three-week low after data showed that job openings fell more than expected in April, boosting hopes that a softening economy may allow the Federal Reserve to cut interest rates later this year. Yield on benchmark US 10-year treasury note slipped to 4.330% and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower to 4.772%.
- Crude oil prices settled lower yesterday losing more than 1% on weaker than expected economic data from US and Germany. Further, oil prices dropped as OPEC+ said it plans to roll back voluntary production cuts beginning in the fourth quarter
- Copper prices slipped yesterday and fell below \$10,000 a metric ton on LME for the first time in 3 weeks due to firm dollar and lackluster demand in China. Further, LME copper inventories climbed to a 6-week high of 118,950 tonnes and Shanghai's inventory remained at close to 300,000 tonnes since March

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71997	-0.29%	2327.01	-1.01%
Silver	89659	-2.58%	29.50	-4.02%
Copper	863.5	-1.89%	9945.00	-1.95%
Aluminium	241.1	0.12%	2663.50	0.08%
Zinc	261.6	-0.11%	2935.00	-0.27%
Lead	190.5	-0.76%	2243.00	-1.97%
WTI Crude Oil	6167	-0.23%	73.25	-1.31%
US Nat Gas	219.6	-2.49%	2.59	-6.17%

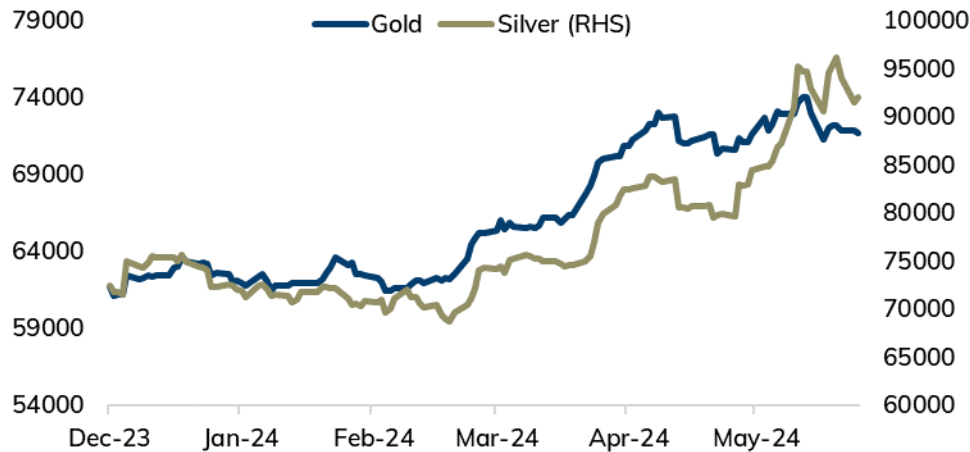
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.58	0.47%	3300582	1053241	2290809	1995176
EURINR (26th June)	90.64	0.41%	18671	1891	3313	697
GBPINR (26th June)	106.41	0.64%	17543	3945	6230	2658

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	June	Buy	874-875	885	869	Stoploss Triggered

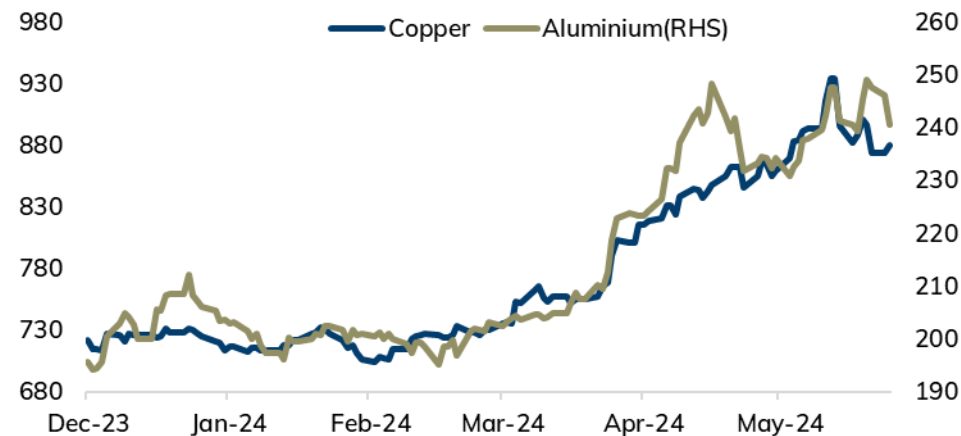
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to rise back towards \$2345 level amid soft dollar and decline in US treasury yields. Dollar and Yields may move further south as weaker than expected JOLTS report followed data showing 2<sup>nd</sup> straight month of slowdown in manufacturing activity and an unexpected decline in construction spending, raised hopes that US Federal Reserve may start cutting rates by September. Moreover, prices may rally as ADP Non-Farm employment change data is forecasted to show softening in labor market. Additionally, investor will also remain vigilant ahead of Services PMI. Spot gold prices may rise further towards \$2345 level (20-Day EMA) as long as it stays above \$2305 level
- MCX Gold Aug prices is likely to rise further towards 72,600 level as long as it stays above 71,600 level. A break above 72,600 level prices may rise further towards 73,000 level.
- MCX Silver July is expected to slip further towards 88,000 level as long as it stays below 90,300 level (20-Day EMA)

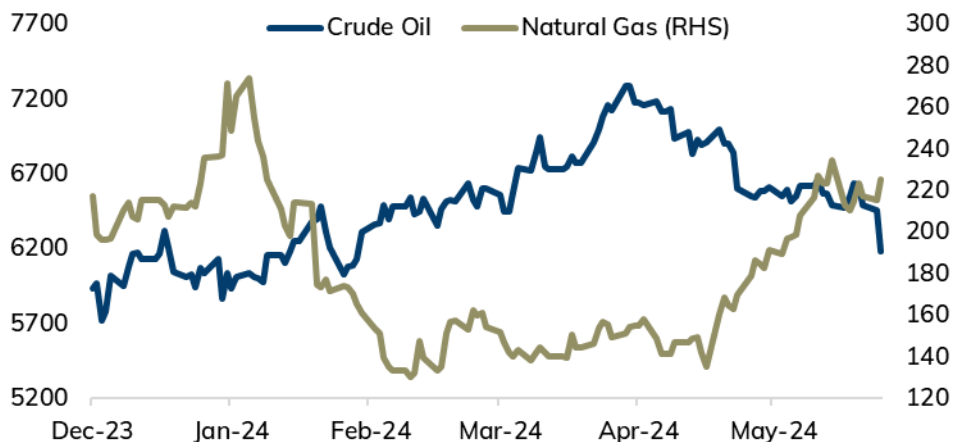
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade with the negative bias amid risk aversion in the global markets, lackluster demand in top consumer China and rising inventories at LME and SHFE registered warehouses. Further, prices may slip as premium in China to import copper into the country continued to remain below zero, signifying weak physical demand. Meanwhile, weaker than expected economic data from US, cemented expectations that Federal Reserve would cut interest rates later this year
- MCX Copper is expected to slip further towards 851 level (50-Day EMA) as long as it stays below immediate resistance of 872 level. Copper faces strong resistance near 883 level (20-Day EMA), only close above this level may change the direction
- Aluminum is expected to move south towards 237 level as long as it stays below 242 level (10-Day EMA). On Contrary, a break above 242 level prices may rally till 245 level

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to extend its losses and slip further towards \$72 on worries over supply rising later in 2024 and on signs of weakening demand growth. Further, prices may slip as data showed build in Crude and fuel stockpiles, adding to concern around demand growth. As per API figures crude stocks rose by more than 4 million barrels in the week ended May 31. Additionally, Gasoline stocks also rose more than 4 million barrels. Moreover, all eyes will be on official stockpiles data from EIA. NYMEX Crude oil is likely to slip further towards \$72 as long as it trades below \$74 level
- MCX Crude oil June is likely to slip further towards 6000 level as long as it stays below 6250 level
- MCX Natural gas June is expected to slip towards 209 level (20-Day EMA) as long as it stays below 224 level. A break below 209 level prices may slide further towards 202 levels

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71098	71547	72054	72503	73010
Silver	87040	88349	90561	91870	94082
Copper	847.5	855.5	870.0	878.0	892.4
Aluminium	236.7	238.9	241.0	243.2	245.3
Zinc	257.1	259.4	262.3	264.5	267.4
Lead	188.0	189.2	191.3	192.5	194.5
Crude Oil	6036	6102	6138	6204	6240
Nat Gas	205	212	224	232	244

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	82.86	83.22	83.46	83.83	84.07
US\$INR (July)	82.99	83.35	83.57	83.93	84.15
EURINR (June)	90.09	90.36	90.57	90.85	91.06
EURINR (July)	90.35	90.48	90.58	90.71	90.81
GBPINR (June)	105.44	105.92	106.21	106.69	106.98
GBPINR (July)	106.03	106.12	106.19	106.28	106.35
JPYINR (June)	53.32	53.42	53.48	53.59	53.65
JPYINR (July)	53.14	53.47	53.64	53.97	54.14

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.11	104.14	-0.03%
US\$INR	83.53	83.15	0.46%
EURUSD	1.0879	1.0904	-0.23%
EURINR	90.83	90.09	0.81%
GBPUSD	1.2770	1.2808	-0.30%
GBPINR	106.61	105.63	0.92%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.038	6.944	0.01
US	4.326	4.388	-0.01
Germany	2.534	2.580	-0.02
UK	4.178	4.221	-0.01
Japan	1.030	1.069	-0.04

## 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	118950	2950	2.54%
Aluminium	1109900	-3250	-0.29%
Zinc	254600	-1325	-0.52%
Lead	181950	-1700	-0.93%
Nickel	83514	-210	-0.25%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 03, 2024						
7:15 AM	China	Caixin Manufacturing PMI	51.70	51.60	51.40	Medium
1:30 PM	Europe	Final Manufacturing PMI	47.30	51.30	51.30	Medium
2:00 PM	UK	Final Manufacturing PMI	51.20	51.30	51.30	Medium
7:15 PM	US	Final Manufacturing PMI	51.30	50.90	50.90	High
7:30 PM	US	ISM Manufacturing PMI	48.70	49.80	49.20	High
Tuesday, June 04, 2024						
1:25 PM	Europe	German Unemployment Change	25k	7k	10k	Medium
7:30 PM	US	JOLTS Job Openings	8.06M	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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