

July 19, 2024

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	July	Sell	831-831.50	822	836	Intraday

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News and Developments

- Spot gold prices eased yesterday but remained near record high hit in the previous session amid hopes of September rate cut by the Federal Reserve. Further, rise in US weekly unemployment claims numbers supported the bullions to hold firm.
- Silver prices remained under pressure after losing more than 2% yesterday amid strong dollar and demand uncertainty in top consumer China. Meanwhile, investors awaited key outcome from China's third Plenum.
- Dollar index edged higher amid strength in the US treasury yields and weakness in the Euro. Dovish comments from the ECB president weakened the Euro. ECB in its meeting left the rates unchanged but said risks to the economic outlook are tilted to the downside.
- US 10-year treasury yields settled at 4.16% and 2-year yields settled at 4.45%.
- NYMEX Crude oil moved near the \$82 mark as prices got support from plunge in EIA inventories and supply disruption from Canada. In Canada wildfires threatened to halt production by 400,000 barrels a day. Further, rising prospects of September rate cut has supported the oil prices. Meanwhile, sluggish demand from China restricted the upside in oil prices.
- Copper prices extended its weakness and hit lowest level in 3-months amid demand pessimism from top metal consumer China. Further, concerns over trade barriers from US and Europe also weighed on the metal. Meanwhile, traders awaited a detailed outcome from China third Plenum meeting.
- Natural Gas prices, rebounded from its 10-weeks low, after the EIA data reported smaller than expected build in inventory.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	74155	0.02%	2445.08	-0.56%
Silver	91772	-0.18%	29.83	-1.55%
Copper	827.9	-1.49%	9386.00	-2.58%
Aluminium	221.9	-0.29%	2385.00	-0.71%
Zinc	266.0	-0.39%	2809.00	-1.35%
Lead	187.9	-0.77%	2157.00	-1.53%
WTI Crude Oil	6973	0.90%	82.82	-0.04%
US Nat Gas	177.8	4.28%	2.13	4.42%

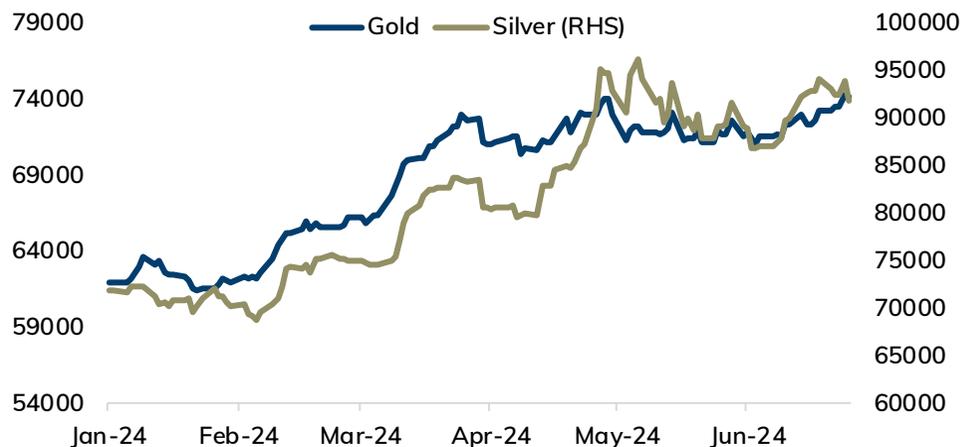
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th July)	83.66	0.06%	2454292	-2510	162755	83673
EURINR (29th July)	91.46	0.38%	24480	-37	711	-1636
GBPINR (29th July)	108.63	0.24%	38210	410	4248	1033

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	August	Buy	6740-6750	6900	6640	Not Initiated

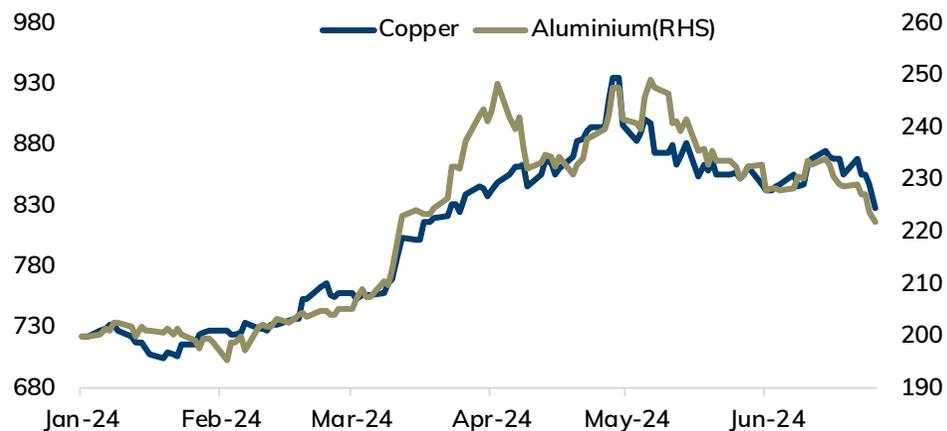
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to dip towards the 10 day EMA at \$2411 amid strong dollar and rise in US treasury yields. However, sharp fall in prices would be cushioned as moderation in the inflation numbers and crack in the labor market, bolstered hopes that US Fed would start cutting rates as soon as September
- Spot gold prices would slip towards \$2411 as long as it stays below \$2450. Strong call base at 2450 strike would act as key resistance. Similarly, strong put base near the 2400 strike would act as good support.
- MCX Gold Aug is expected to slip towards 73,400 level (10-Day EMA) as long as it stays below 74,500 level. A break below 73,400 it would slip towards 73,000.
- MCX Silver September is hovering near the key support at 91,300(20 DEMA), a move below would weaken the metal towards 90,200.

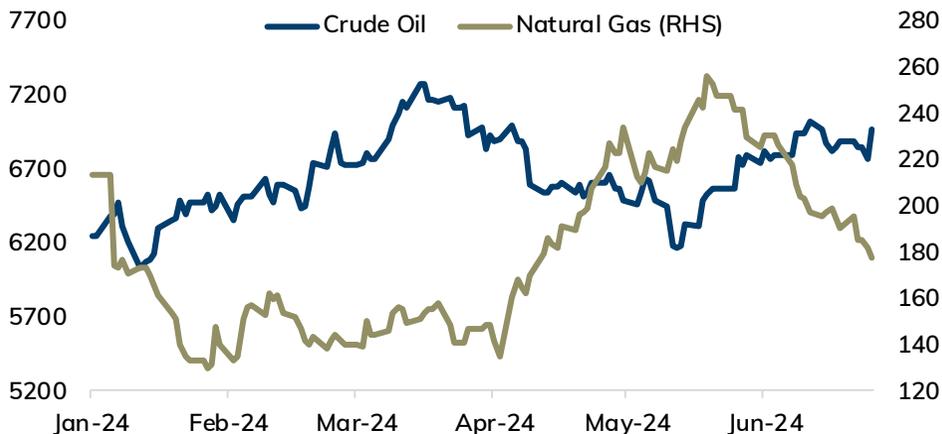
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are likely to remain under pressure amid lack of impetus from China. Lack of policy support towards Chinese economy would weigh on the metal. Further, weak economic growth numbers and lower imports of refined copper by China indicates weaker physical demand. Moreover, constant rise in inventory levels in LME indicates sluggish demand growth.
- MCX Copper July is expected to dip towards the key support near 820, as long as it trades below 836. Breakdown of 100 day EMA at 830, indicates weakness in the price trend.
- Aluminum is expected to face the hurdle near 227 and move lower towards 221.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trim its earlier gains and move lower towards the \$80 mark amid mixed economic signal and strong dollar. Further, lack of concrete stimulus measure from top oil importer China would also weigh on oil prices. Additionally, higher inflation numbers in Japan in June, has opened the doors for a rate hike which might also check the gains in oil prices. On the other hand, tension in the Middle East and growing bets of rate cut in September by the Federal Reserve would limit its downside. Further, strong put base near 80 strike indicates strong support.
- MCX Crude oil August is likely to move towards the 50 day EMA support at 6710, which could act as good support for prices. Bullish cross over of 20 and 50 DEMA, along with reversal in the RSI would support the prices to regain its strength.
- MCX Natural gas July is likely hold the support near 170 and rebound towards 180. Above 180 it would rise towards 186.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	73760	73957	74248	74445	74736
Silver	90665	91219	91944	92498	93223
Copper	816.4	822.2	833.0	838.7	849.5
Aluminium	219.6	220.7	222.6	223.7	225.6
Zinc	262.7	264.4	266.7	268.3	270.6
Lead	185.8	186.8	188.6	189.7	191.5
Crude Oil	6804	6889	6947	7032	7090
Nat Gas	166	172	175	181	185

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (July)	83.53	83.59	83.64	83.70	83.75
US\$INR (Aug)	83.62	83.68	83.72	83.78	83.82
EURINR (July)	91.18	91.32	91.39	91.53	91.61
EURINR (Aug)	91.23	91.37	91.43	91.57	91.63
GBPINR (July)	108.52	108.58	108.65	108.71	108.78
GBPINR (Aug)	108.30	108.48	108.57	108.74	108.83
JPYINR (July)	52.44	52.98	53.29	53.83	54.14
JPYINR (Aug)	53.06	53.34	53.49	53.77	53.92

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.17	103.75	0.41%
US\$INR	83.66	83.59	0.08%
EURUSD	1.0897	1.0939	-0.38%
EURINR	91.45	91.10	0.39%
GBPUSD	1.2944	1.3009	-0.50%
GBPINR	108.67	108.40	0.25%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.967	6.963	0.00
US	4.202	4.158	0.01
Germany	2.432	2.421	0.00
UK	4.064	4.076	0.00
Japan	1.042	1.041	0.00

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
7/17/2024	8:00 PM	-4.9M	-0.9M
7/10/2024	8:00 PM	-3.4M	0.7M
7/3/2024	8:00 PM	-12.2M	-0.4M
6/26/2024	8:00 PM	3.6M	-2.6M
6/20/2024	8:30 PM	-2.5M	-2.8M
6/12/2024	8:00 PM	3.7M	-1.2M
6/5/2024	8:00 PM	1.2M	-2.1M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	227425	6325	2.86%
Aluminium	963825	-525	-0.05%
Zinc	242600	-3500	-1.42%
Lead	208425	675	0.32%
Nickel	101820	234	0.23%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, July 15, 2024						
7:30 AM	China	GDP q/y	4.70%	5.10%	5.30%	High
7:30 AM	China	Industrial Production y/y	5.30%	4.90%	5.60%	High
2:30 PM	Europe	Industrial Production m/m	-0.60%	-0.90%	-0.10%	Medium
6:00 PM	US	Empire State Manufacturing Index	-6.6	-5.5	-6	Medium
9:30 PM	US	Fed Chair Powell Speaks	-	-	-	High
Tuesday, July 16, 2024						
2:30 PM	Europe	German ZEW Economic Sentiment	41.8	41.2	47.5	Medium
6:00 PM	US	Retail Sales m/m	0.00%	-0.20%	0.10%	High
Wednesday, July 17, 2024						
11:30 AM	UK	CPI y/y	2.00%	1.90%	2%	High
6:00 PM	US	Building Permits	1.45M	1.40M	1.40M	Medium
6:45 PM	US	Industrial Production m/m	0.60%	0.40%	0.90%	Medium
8:00 PM	US	Crude Oil Inventories	-4.9M	-0.9M	-3.4M	Medium
Thursday, July 18, 2024						
11:30 AM	UK	Claimant Count Change	32.3K	23.4K	50.4K	High
5:45 PM	Europe	Main Refinancing Rate	4.25%	4.25%	4.25%	High
6:00 PM	US	Unemployment Claims	243K	229K	222K	High
6:00 PM	US	Philly Fed Manufacturing Index	13.9	2.7	1.3	Medium
8:00 PM	US	Natural Gas Storage	10B	27B	65B	Medium
Friday, July 19, 2024						
11:30 AM	UK	Retail Sales m/m	-	-0.60%	2.90%	High



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