

April 8, 2024

Daily Currency & Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	April	Buy	7080-7100	7250	7000	Intraday

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News and Developments

- Spot Gold prices rallied on Friday hitting new record high of \$2330 level despite of strong dollar and surge in US treasury yields. Prices moved higher on speculative buying and rise in demand for safe haven as Middle East tensions rose after Iran vowed to retaliate following an attack on its embassy in Syria this week
- Dollar index ended on the positive note on Friday gaining 0.07% after data showed US employers hired more workers than expected in March, reinforcing expectations that the Fed will be in no hurry to lower interest rates. Additionally, dollar inched higher on hawkish statements from Fed officials. They said now is not the time to start cutting interest rates
- Nonfarm payrolls increased by 303,000 jobs last month, but data for February was revised slightly lower to show 270,000 jobs added instead of 275,000 as previously reported. Unemployment rate fell to 3.8%, in line with expectations while, average hourly earnings eased in march to 4.1% y/y from 4.3% y/y in February
- US Treasury yields rose on Friday after job data from US showed strength in labor market, boosting expectations that the Federal Reserve would be in no rush to cut interest rates in the near term. Yield on benchmark US 10-year treasury note rose to 4.40% and 2-year treasury yield, which typically moves in step with interest rate expectations edged higher to 4.75%
- Following data from US and comments from Fed officials, the US rate futures market has priced in a 46.1% chance of a rate cut in June, down from 50.8% as day ago, according to CME FedWatch tool
- Crude oil prices ended on the negative note losing 0.15% on Friday amid strong dollar. Meanwhile, sharp fall was cushioned on worries over supply tightness
- Copper prices retreated from its 14-month high amid strong dollar after upbeat job report from US and hawkish comments from Fed officials

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	70189	0.22%	2329.75	1.69%
Silver	80863	1.10%	27.48	2.09%
Copper	801.4	-0.22%	9329.50	-0.32%
Aluminium	224.0	0.49%	2450.50	0.25%
Zinc	232.6	-0.45%	2638.50	-0.26%
Lead	186.6	0.38%	2123.50	-0.72%
WTI Crude Oil	7284	2.26%	86.91	0.37%
US Nat Gas	151.5	1.34%	1.79	0.62%

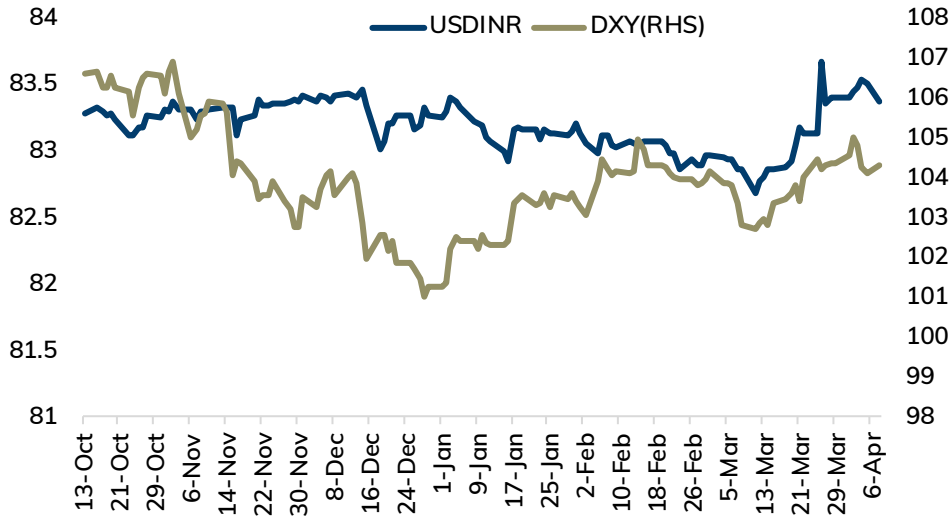
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.54	0.08%	3142470	-483463	2978018	540905
EURINR (26th Apr)	90.23	0.47%	64551	-40179	114191	-61817
GBPINR (26th Apr)	105.27	0.32%	114590	-57398	130433	-92105

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	April	Sell	150-150.50	144	154	Exit in Loss

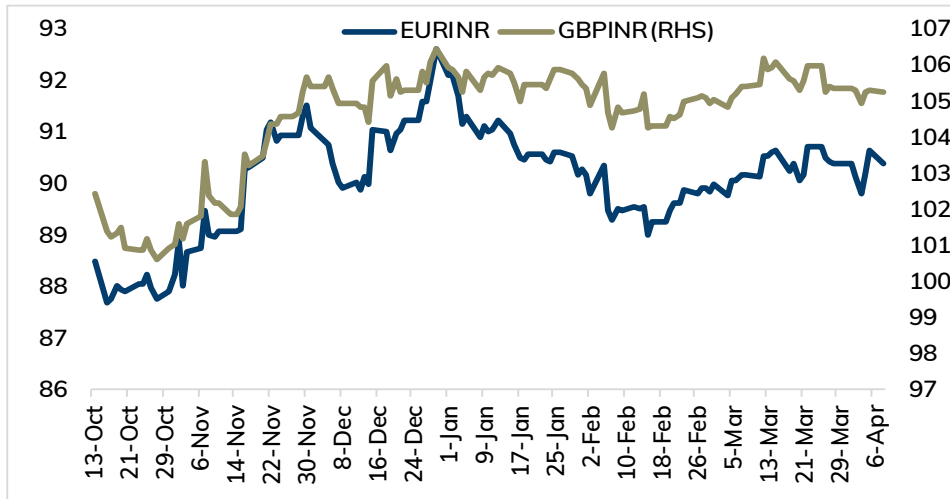
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee ended on a positive note on Friday amid dollar sales from foreign and state-run banks. Further, RBI kept interest rates unchanged for a 7th consecutive meeting
- Rupee is likely to depreciate today amid firm dollar and surge in US treasury yields. Dollar and Yields are moving north as better than expected job data from US and hawkish comments from Fed officials, reinforced expectations that US Federal Reserve would be in no rush to cut interest rates in the near term and even pushed back the number of rate cuts from 3 to 2 in 2024. Meanwhile, sharp fall in rupee may be cushioned on rise in risk appetite in the domestic markets and softening of crude oil prices. USDINR April likely to hold the support near 83.24 level (20-Day EMA) and rise towards immediate resistance of 83.36 (10-day EMA), a sustain break above 83.36 pair may rise further towards 83.45 levels.

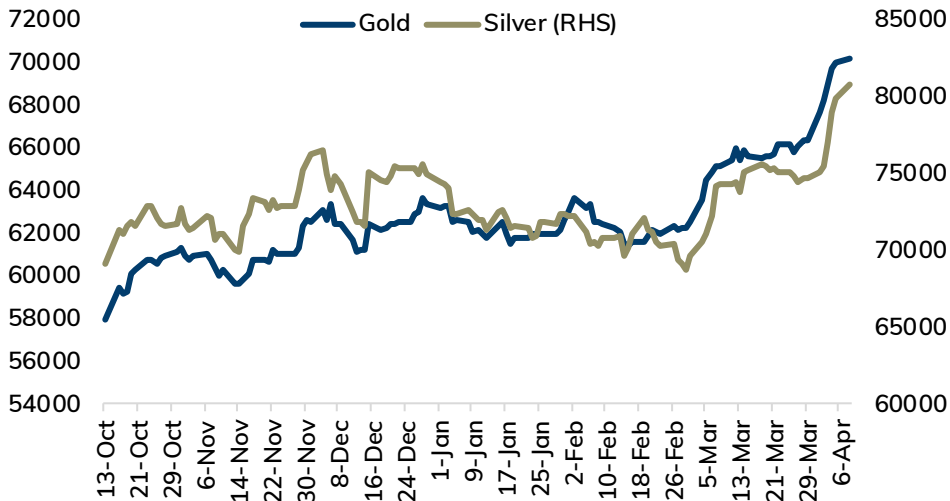
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro slipped marginally by 0.01% on Friday amid firm dollar and weaker than expected Eurozone economic data. Eurozone retail sales fell 0.5% in February and German factory orders rose 0.2% in February, weaker than expectations of 0.7%. For today, EURUSD is likely to slip towards 1.0790 level as long as it stays below 1.0850 level amid strong dollar and expectation of disappointing economic data from euro zone. EURINR April may slip towards 200-Day EMA of 90.10 level as long as it trades below 90.50 levels.
- Pound is expected to slip further towards 200-day EMA around 1.2560 level as long as its stays below 20-day EMA of 1.2650 level. Pound may show weakness on strong dollar. Further, investors will remain cautious ahead of comments from BOE officials to get cues on rate trajectory. GBPINR April is likely to move south towards 100-Day EMA of 104.90 level as long as it stays below 200-Day EMA around 105.35 levels.

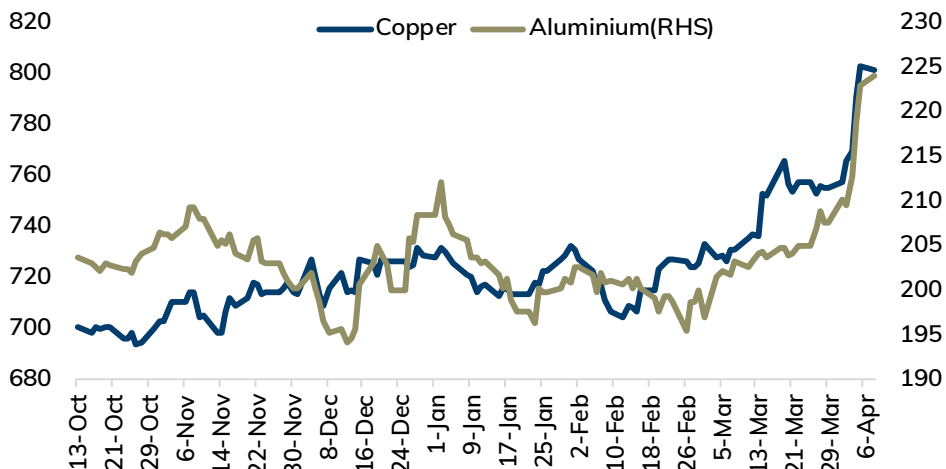
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to continue with its upward momentum amid speculative buying and rise in safe haven demand due to mounting geopolitical tension in Middle East after Iran threatened military action against Israel over alleged strikes on an embassy in Syria. Spot gold prices likely to rise further towards \$2360 levels as long as it stays above \$2300 level. On flip side, close below \$2300 level it may correct towards its immediate support level of \$2290 level, only a sustain close below \$2290 level prices may move further south further towards 10-day EMA around \$2267 level. Gold prices may not surpass \$2360 levels as US yields and dollar are moving north after data showed US economy created more jobs than expected in March, signaling strength in labor market
- MCX Gold June prices is likely to rise further towards 71,500 level as long as it stays above 70,000 level. On flip side close below 70,000 level prices may slip back towards 69,300 level.
- MCX Silver May is expected to rise towards 82,000 level as long as it sustains above 80,000 level.

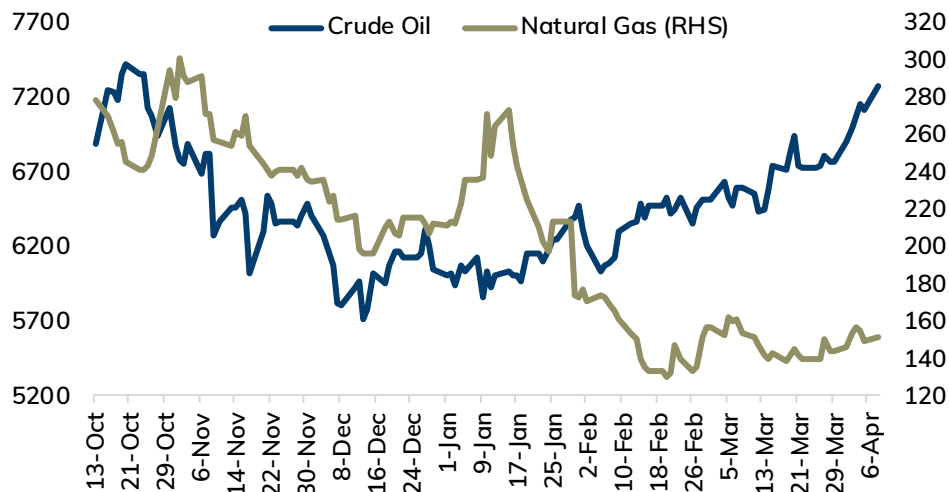
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices expected to scale back from its 14th month high amid strong dollar. Further, investors fear that improved economic data from US will give space for Fed to hold its rate steady at higher levels for some more time and even push back the number of rate cuts in 2024. Moreover, rise in stocks at LME registered warehouses will hurt prices.
- MCX Copper is expected to move south towards 790 level as long as it stays below 805 level. A break below 790 would open doors for 785 levels.
- Aluminum is expected to face hurdle near 225 levels and slip back towards 221 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to find the support near \$84.40 level (10-day EMA) and rise back towards \$86 on concern over supply tightness and ongoing geopolitical tension in Middle East and Eastern Europe. Investors fear that rising tension between Iran and Israel would lead to supply disruption. Additionally, world's top oil exporter, Saudi Arabia, raised official selling prices for all crude grades to Asia in May. On the demand front, positive economic data from China and US also ramped up optimism. Meanwhile, sharp upside may be capped on strong dollar and as all eyes will be on fresh talks on a potential ceasefire between Hamas and Israel
- MCX Crude oil is likely to rise towards 7250 levels as long as it trades above 7000 levels (10-Day EMA). A sustain break above 7250 level would open doors for 7300 levels
- MCX Natural gas April is expected to rise further towards 20-Day EMA of 156 level as long as its holds the support near 145 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	68996	69592	70246	70842	71496
Silver	77776	79319	80175	81718	82574
Copper	790.5	795.9	799.6	805.0	808.7
Aluminium	219.9	221.9	223.4	225.5	227.0
Zinc	229.4	231.0	232.7	234.3	236.0
Lead	182.5	184.5	186.5	188.5	190.4
Crude Oil	7148	7216	7256	7324	7364
Nat Gas	145	148	150	154	156

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	83.20	83.29	83.39	83.48	83.58
US\$INR (May)	83.29	83.38	83.49	83.58	83.69
EURINR (Apr)	90.21	90.31	90.45	90.54	90.68
EURINR (May)	90.37	90.46	90.59	90.68	90.81
GBPINR (Apr)	104.92	105.10	105.30	105.48	105.68
GBPINR (May)	105.10	105.22	105.42	105.55	105.75
JPYINR (Apr)	54.29	54.79	55.09	55.59	55.89
JPYINR (May)	55.14	55.46	55.68	56.01	56.22

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.12	104.25	-0.12%
US\$INR	83.45	83.44	0.01%
EURUSD	1.0837	1.0836	0.01%
EURINR	90.60	89.84	0.85%
GBPUSD	1.2642	1.2652	-0.08%
GBPINR	105.68	104.90	0.75%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.093	7.103	-0.01
US	4.309	4.347	-0.0378
Germany	2.361	2.395	-0.034
UK	4.021	4.056	-0.035
Japan	0.788	0.796	-0.008

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
03-04-2024	8:00 PM	3.2M	-0.3M
27-03-2024	8:00 PM	3.2M	-0.7M
20-03-2024	8:00 PM	-2.0M.	-0.9M
13-03-2024	8:00 PM	-1.5M	0.9M
06-03-2024	9:00 PM	1.4M	2.4M
28-02-2024	9:00 PM	4.2M	3.1M
22-02-2024	9:30 PM	3.5M	3.9M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	115525	3000	2.67%
Aluminium	535475	-1375	-0.26%
Zinc	260200	-1775	-0.68%
Lead	273025	-1500	-0.55%
Nickel	77604	-144	-0.19%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 08, 2024						
5:20 AM	Japan	Current Account	-	1.99T	2.73T	Medium
11:30 AM	Europe	German Industrial Production m/m	-	0.60%	1.00%	Medium
2:00 PM	Europe	Sentix Investor Confidence	-	-8.3	-10.5	Medium
Tuesday, April 09, 2024						
4:31 AM	UK	BRC Retail Sales Monitor y/y	-	1.80%	1%	Medium
3:30 PM	US	NFIB Small Business Index	-	90.2	89.4	Medium
Wednesday, April 10, 2024						
6:00 PM	US	CPI y/y	-	3.40%	3.20%	High
6:00 PM	US	Core CPI y/y	-	3.70%	3.80%	High
8:00 PM	US	Crude Oil Inventories	-	-	3.2M	Medium
11:30 PM	US	FOMC Meeting Minutes	-	-	-	High
Thursday, April 11, 2024						
7:00 AM	China	CPI y/y	-	0.40%	0.70%	High
7:00 AM	China	PPI y/y	-	-2.80%	-2.70%	High
5:45 PM	Europe	Main Refinancing Rate	-	4.50%	4.50%	High
6:00 PM	US	PPI m/m	-	0.30%	0.60%	High
6:00 PM	US	Core-PPI m/m	-	0.20%	0.30%	High
6:00 PM	US	Unemployment Claims	-	217K	221K	High
8:00 PM	US	Natural Gas Storage	-	-	-37B	Medium
Friday, April 12, 2024						
Tentative	China	Trade Balance	-	508B	891B	Medium
11:30 AM	UK	GDP m/m	-	0.10%	0.20%	High
5:30 PM	India	CPI y/y	-	4.90%	5.09%	High
7:30 PM	US	Prelim UoM Consumer Sentiment	-	79	79.4	High
7:30 PM	US	Prelim UoM Inflation Expectations	-	-	2.90%	Medium



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