

September 17, 2024

Daily Commodities Outlook

Daily Recommendations

| Commodity/Index | Expiry | Action | Entry | Target | Stop Loss | Time Frame |
|-----------------|---------|--------|-------------|--------|-----------|------------|
| Gold Mini | October | Buy | 73200-73250 | 73850 | 72900 | Intraday |

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News and Developments

- Spot gold prices extend its gains to an all-time high on Monday amid weakness in the dollar and decline in US treasury yields. Growing prospects of 50 bps interest rate cut in September has supported the bullions to trade higher. Further, fund buying of gold supported prices as long positions in the ETF rose to a 7-month high.
- Dollar index traded lower amid high certainty of a 25 bps interest rate cut by the Federal reserve in September. Further, increasing probability of 50 bps rate cut in September which has gone to 62% from 50% a day ago also weighed on the dollar.
- US treasury yields moved lower as investors weigh the odds of a 50 bps interest rate cut by the Federal Reserve this week. Meanwhile, better than expected US Empire State manufacturing index limited its downside
- NYMEX crude oil prices hit its highest level in a week on weak dollar and disruption of crude oil supplies from Libya. Increasing odds of lower interest rates from major central banks has supported the oil price to rise towards \$70 mark. Meanwhile, weaker demand from China amid sluggish growth in the economy has checked the upside in oil prices.
- Base metals reversed its losses and hit 2-week high amid growing prospects of stimulus from China. Last months weaker economic numbers has increased the likelihood of stimulus from the Chinese Government to boost the economy. Industrial production hit its lowest level in last 5-months and house prices also fell at a fastest pace in nine years despite the latest measures from China.
- NYMEX natural gas rebounded from its day's lows and rallied towards 2-month high driven by higher demand forecast and reduced output due to Hurricane Francine.

Price Performance

| Commodity | LTP (₹) | Change | LTP (\$) | Change |
|---------------|---------|--------|----------|--------|
| Gold | 73496 | -0.03% | 2582.45 | 0.18% |
| Silver | 89609 | 0.48% | 30.73 | 0.04% |
| Copper | 809.3 | 0.89% | 9390.00 | 0.88% |
| Aluminium | 231.8 | 1.31% | 2528.50 | 2.33% |
| Zinc | 270.0 | 0.78% | 2946.00 | 1.43% |
| Lead | 184.4 | -0.51% | 2038.50 | -0.24% |
| WTI Crude Oil | 5819 | 1.71% | 70.09 | 2.10% |
| US Nat Gas | 199.4 | 2.84% | 2.37 | 2.95% |

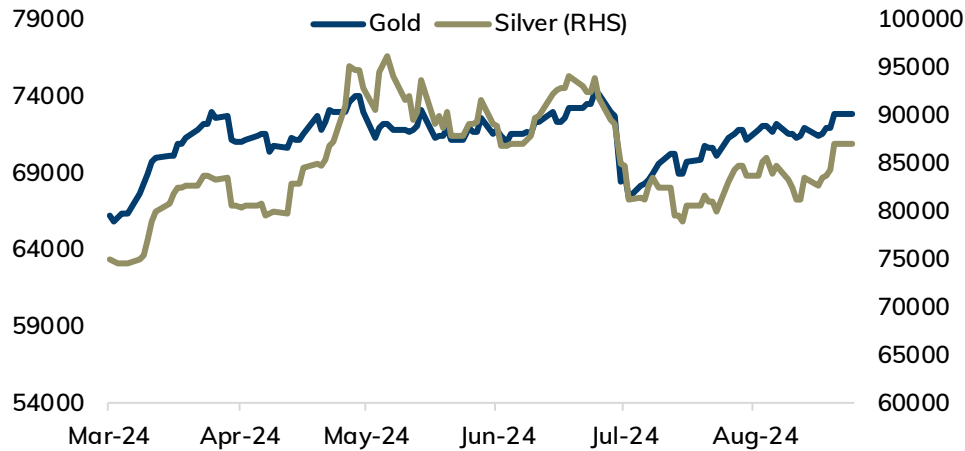
Domestic Currencies

| Futures | Close | % Change | Open Interest | Change in OI | Volume | Change in Vol |
|-------------------------|--------|----------|---------------|--------------|--------|---------------|
| USDINR (26th September) | 83.93 | -0.03% | 2535037 | 41127 | 75712 | -60550 |
| EURINR (26th September) | 93.26 | 0.19% | 40591 | 581 | 1444 | -1672 |
| GBPINR (26th September) | 110.72 | 0.44% | 48937 | 82 | 2102 | -2617 |

Daily Strategy Follow-up

| Commodity/Index | Expiry | Action | Entry | Target | Stoploss | Comment |
|-----------------|---------|--------|-------------|--------|----------|---------------|
| Gold Mini | October | Buy | 72750-72800 | 73500 | 72400 | Profit Booked |

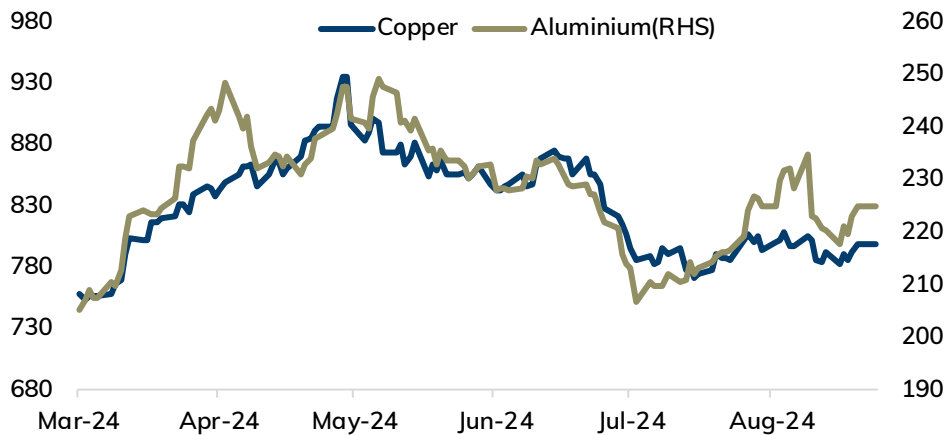
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to hold its gains and move towards \$2600 mark amid growing prospects of outsized rate cut this week. Forecast of weaker retail sales numbers could weigh on the dollar and favor the 50 bps interest rate cut by the US Federal Reserve in this week's meeting. Further, fund buying would push prices higher as the ETF holdings rose to a 7-month high. While, focus will remain on key economic numbers from US and the FOMC meeting on Wednesday which could bring further more clarity on price direction. Increasing OI at ATM and OTM put strikes indicates strong support for the yellow metal near \$2550.
- MCX Gold Oct is expected to rise towards 74,000, as long as it holds above 73,050.
- Spot silver has to move beyond \$31.20 to bring fresh buying interest in the metal. Above \$31.20 it would open the doors towards \$31.70. MCX Silver is expected to move higher towards 90,400, as long as it holds the key support at 87,400.

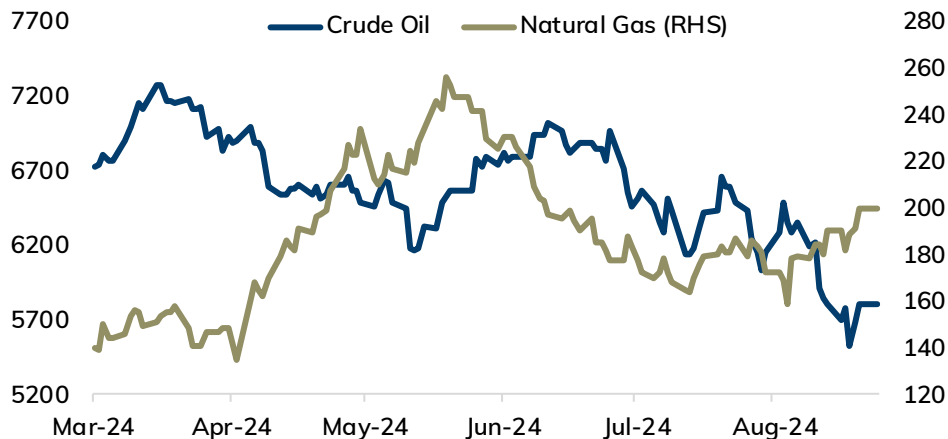
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to hold its earlier gains amid softness in the dollar. Further, improved risk sentiments amid growing prospects of 50 bps interest rate cut by the US Federal Reserve would also provide support to prices. Additionally, increasing hopes of fresh round of stimulus from China to achieve its growth target would push prices higher. On the other hand higher inventory levels in LME would restrict its upside. Low liquidity could be observed amid bank holiday in China.
- MCX Copper September is expected to hold the support near 802 and move towards 814. A move below 802 would weaken it towards 798.
- MCX Aluminium is expected to rise towards 235, as long as it holds above 229 mark.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to edge up amid supply disruption and growing expectation of a 50 bps interest rate cut by the US Fed. Supply disruption from Libya and impact of hurricane on US oil production would provide support to prices. Meanwhile, weaker economic numbers from China and drop in oil refinery output in China to its 5-month low amid weak export margins and disappointing fuel demand would restrict any major upside in prices. On the upside \$72 would act as major resistance for price. Similarly \$68 would act as strong support for prices. Meanwhile, addition of OI in the ATM and OTM put strike indicate strong support near \$65.
- MCX Crude oil October is likely to rise towards 5900, as long as it holds above 5650. Reversal in the RSI indicates an immediate rebound in prices.
- MCX Natural gas September is likely to rise towards 206, as long as it holds above 190.

Daily Commodity Pivot Levels

| Commodity | S2 | S1 | Pivot | R1 | R2 |
|-----------|-------|-------|-------|-------|-------|
| Gold | 73157 | 73326 | 73540 | 73709 | 73923 |
| Silver | 88399 | 89004 | 89702 | 90307 | 91005 |
| Copper | 791.0 | 800.1 | 807.2 | 816.3 | 823.4 |
| Aluminium | 227.5 | 229.7 | 231.3 | 233.4 | 235.0 |
| Zinc | 264.4 | 267.2 | 269.0 | 271.8 | 273.7 |
| Lead | 182.5 | 183.4 | 184.6 | 185.6 | 186.8 |
| Crude Oil | 5648 | 5734 | 5798 | 5884 | 5948 |
| Nat Gas | 186 | 193 | 197 | 204 | 208 |

Daily Currency Pivot Levels

| Futures | S2 | S1 | Pivot | R1 | R2 |
|---------------|--------|--------|--------|--------|--------|
| US\$INR (Sep) | 83.88 | 83.90 | 83.93 | 83.95 | 83.98 |
| US\$INR (Oct) | 83.96 | 83.98 | 84.02 | 84.05 | 84.09 |
| EURINR (Sep) | 92.85 | 93.05 | 93.23 | 93.43 | 93.61 |
| EURINR (Oct) | 93.01 | 93.31 | 93.39 | 93.69 | 93.77 |
| GBPINR (Sep) | 109.95 | 110.34 | 110.66 | 111.05 | 111.37 |
| GBPINR (Oct) | 110.06 | 110.39 | 110.56 | 110.89 | 111.06 |
| JPYINR (Sep) | 59.31 | 59.65 | 59.90 | 60.25 | 60.49 |
| JPYINR (Oct) | 59.71 | 60.02 | 60.01 | 60.32 | 60.31 |

Key Parameters

Major Currency Pairs

| Currencies | Close | Pvs. Close | % Change |
|------------|--------|------------|----------|
| DXY | 100.76 | 101.11 | -0.35% |
| US\$INR | 83.89 | 83.90 | -0.01% |
| EURUSD | 1.1133 | 1.1075 | 0.52% |
| EURINR | 93.33 | 93.07 | 0.28% |
| GBPUSD | 1.3216 | 1.3124 | 0.70% |
| GBPINR | 110.64 | 110.21 | 0.40% |

10 year government - Global Bonds Yields

| Country | Close | Pvs. Close | Change |
|---------|-------|------------|--------|
| India | 6.761 | 6.790 | -0.03 |
| US | 3.618 | 3.651 | -0.03 |
| Germany | 2.122 | 2.148 | -0.03 |
| UK | 3.759 | 3.768 | -0.01 |
| Japan | 0.848 | 0.848 | 0.00 |

US Crude Stocks Change (Barrels)

| Release Date | Time (IST) | Actual | Forecast |
|--------------|------------|--------|----------|
| 9/11/2024 | 8:00 PM | 0.8M | 0.9M |
| 9/5/2024 | 8:30 PM | -6.9M | -0.6M |
| 8/28/2024 | 8:00 PM | -0.8M | -2.7M |
| 8/21/2024 | 8:00 PM | -4.6M | -2.0M |
| 8/14/2024 | 8:00 PM | 1.4M | -1.9M |
| 8/7/2024 | 8:00 PM | -3.7M | -1.6M |
| 7/31/2024 | 8:00 PM | -3.4M | -1.6M |

LME Warehouse Stocks (Tonnes)

| Commodity | Current Stock | Change in Stock | % Change |
|-----------|---------------|-----------------|----------|
| Copper | 308550 | -2975 | -0.95% |
| Aluminium | 817350 | -3500 | -0.43% |
| Zinc | 234150 | 4850 | 2.12% |
| Lead | 174775 | 0 | 0.00% |
| Nickel | 123810 | 450 | 0.36% |

Economic Calendar

| Date & Time (IST) | Country | Data & Events | Actual | Expected | Previous | Impact |
|--------------------------------------|---------|----------------------------------|--------|----------|----------|--------|
| Monday, September 16, 2024 | | | | | | |
| All Day | China | Bank Holiday | - | - | - | Medium |
| 6:00 PM | US | Empire State Manufacturing Index | 11.5 | -4.1 | -4.7 | Medium |
| Tuesday, September 17, 2024 | | | | | | |
| All Day | China | Bank Holiday | - | - | - | Medium |
| 2:30 PM | Europe | German ZEW Economic Sentiment | - | 17.2 | 19.2 | Medium |
| 6:00 PM | US | Retail Sales m/m | - | -0.20% | 1.00% | High |
| 6:45 PM | US | Industrial Production m/m | - | 0.10% | -0.60% | Medium |
| Wednesday, September 18, 2024 | | | | | | |
| 11:30 AM | UK | CPI y/y | - | 2.20% | 2.20% | High |
| 6:00 PM | US | Building Permits | - | 1.41M | 1.40M | Medium |
| 8:00 PM | US | Crude Oil Inventories | - | - | 0.8M | Medium |
| 11:30 PM | US | Federal Funds Rate | - | 5.25% | 5.50% | High |
| 11:30 PM | US | FOMC Economic Projections | - | - | - | High |
| Thursday, September 19, 2024 | | | | | | |
| 4:30 PM | UK | Official Bank Rate | - | 5% | 5% | High |
| 6:00 PM | US | Unemployment Claims | - | 232K | 230K | High |
| 6:00 PM | US | Philly Fed Manufacturing Index | - | -0.6 | -7 | Medium |
| 7:30 PM | US | Existing Home Sales | - | 3.89M | 3.95M | Medium |
| 8:00 PM | US | Natural Gas Storage | - | - | 40B | Medium |
| Friday, September 20, 2024 | | | | | | |
| 6:30 AM | China | 1-y Loan Prime Rate | - | 3.35% | 3.35% | Medium |
| 6:30 AM | China | 5-y Loan Prime Rate | - | 3.85% | 3.85% | Medium |
| Tentative | Japan | BOJ Policy Rate | - | <0.25% | <0.25% | High |
| 11:30 AM | UK | Retail Sales m/m | - | 0.40% | 0.50% | High |



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