

December 20, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	January	Sell	5940-5950	5800	6040	Intraday

Research Analysts

Jay Thakkar
jay.thakkar@icicisecurities.com

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Anup Sahu
anup.sahu@icicisecurities.com

News and Developments

- Spot gold prices pared all its earlier gains and ended the day below \$2600 amid strong dollar after the Fed signals for fewer rate cuts in 2025. Further, better than expected economic numbers from US also strengthened the chances that the central bank will take cautious approach to policy easing.
- Silver prices made fresh lows and lost almost 1.5% on Thursday amid strong dollar. Weaker demand outlook from China also weighed on the metal to hit 4-month lows.
- The US dollar index recouped its earlier losses and extended its gains on Thursday amid better than expected US economic numbers. US final GDP for the last quarter improved to 3.1% QoQ against expectation of 2.8% QoQ. Further, drop in weekly jobless claim numbers and rise in existing home sales numbers supported the dollar to rise towards 108.30. US weekly initial unemployment claims fell - 22,000 to 220,000, showing a stronger labor market than expectations of 230,000.
- US 10-year treasury yields extend its rally on Thursday, where as 2-year yield pared its earlier gains and edged lower to 4.30%.
- NYMEX Crude oil prices pared its early advance and edged lower amid strong dollar. Sluggish demand from the refiners weighed on oil prices. Continuous rise in gasoline stocks and oil derivatives has discouraged oil demand. Crack spread has hit its lowest in 2- months. Meanwhile, better than expected economic numbers from US limited its downside.
- Base metal prices traded lower amid strong dollar and hawkish Fed outlook. Further, ongoing economic uncertainty and lack of detailed policy plans from China also weighed on copper prices.
- NYMEX Natural gas prices extended its gains for the third day in a row and hit 1 year highs at \$3.5 per MMBtu amid stronger global demand and larger withdrawal of inventory for the 2nd consecutive week.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	75651	-1.31%	2594.0	0.33%
Silver	87187	-3.53%	29.05	-1.03%
Copper	796.8	-1.45%	8883.0	-1.61%
Aluminium	241.3	-0.35%	2507.0	-0.85%
Zinc	278.8	-1.17%	2967.0	-0.93%
Lead	176.5	-0.70%	1971.5	-0.50%
WTI Crude Oil	5925	-1.07%	69.91	-0.95%
US Nat Gas	299.2	4.54%	3.58	6.22%

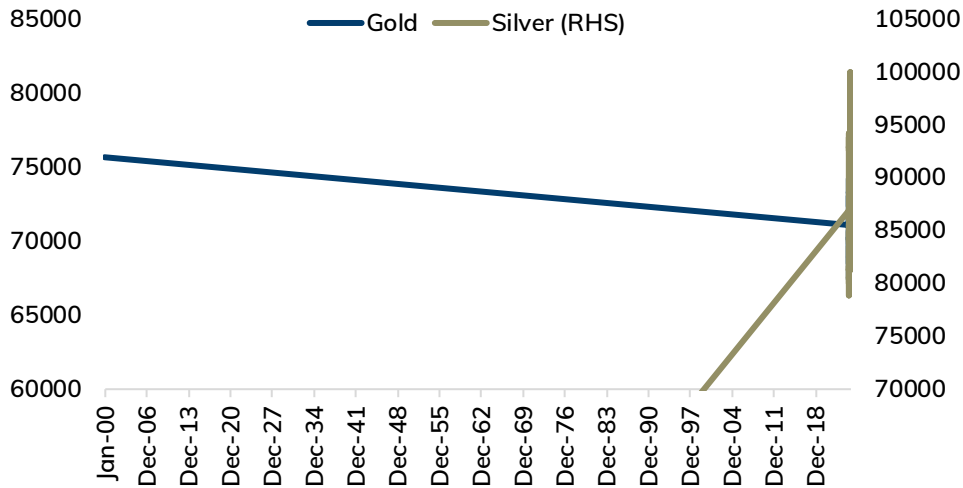
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th December)	85.19	0.20%	3921560	293402	635726	86537
EURINR (27th December)	88.68	-0.70%	27340	2401	5527	3086
GBPINR (27th December)	107.74	-0.29%	17761	-849	5862	2817

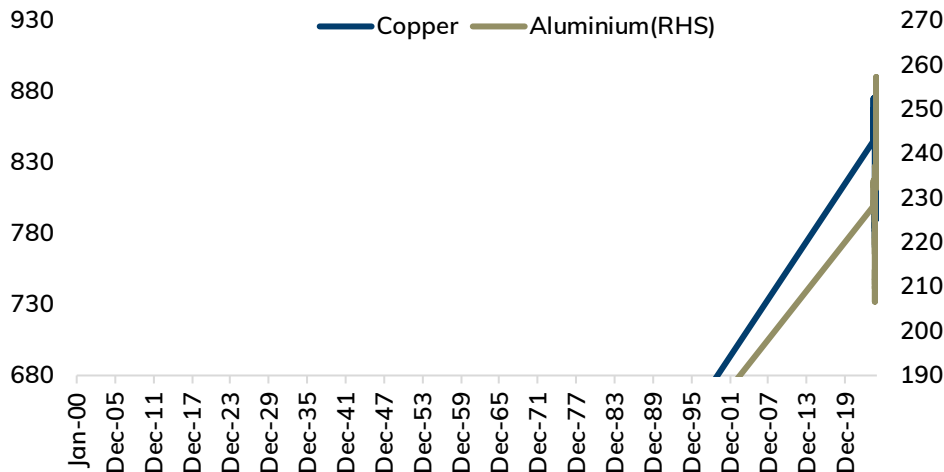
Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	December	Sell	810-811	800	814	Not initiated

MCX Gold vs. Silver



MCX Copper vs. Aluminium



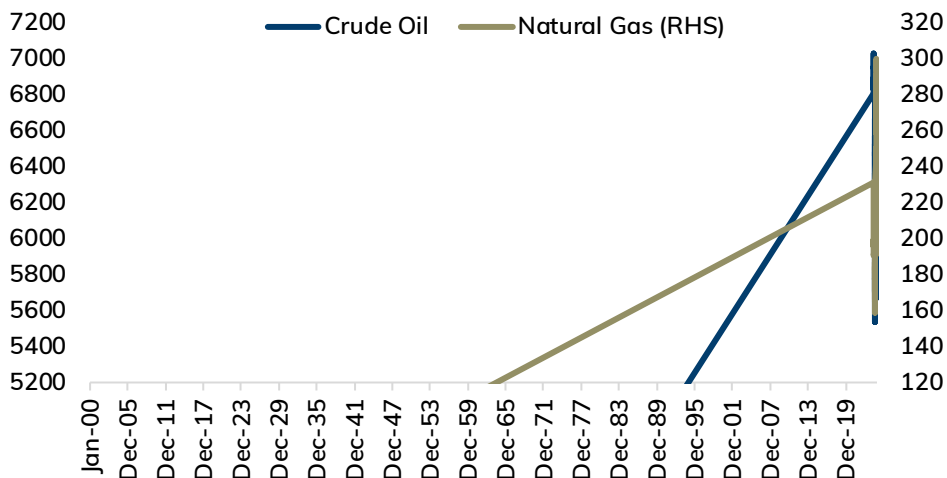
Bullion Outlook

- Spot gold is expected to remain under pressure amid strong dollar and diminishing prospects of Fed rate cuts in 2025. Better than expected US economic numbers has raised the probability of steady rates in the first quarter of 2025. Further, sticky inflation numbers would also strengthen the chance of a pause by the Fed. For the day focus will remain on key US Core PCE data which could bring further volatility in prices. Moreover, traders will also keep an eye on US Govt. shutdown which might provide some support to prices
- Spot gold is likely to face the hurdle near \$2620 and move towards \$2580. Formation of a bearish engulfing pattern and breakdown of 50 and 20 DEMA indicates correction in price. Below \$2580 it would open the downside for \$2550. MCX Gold February is expected to move lower towards 75,200 as long as it trades under 76,000.
- MCX Silver March is expected to move in the range of 86,200 and 88,500. Only a move below 86,200 it would turn weak and test level of 84,000.

Base Metal Outlook

- Copper prices are expected to remain under pressure amid strong dollar and demand uncertainty. Further, lack of details from China regarding its stimulus measure would suppress prices. Today the PBOC left its key price lending rates unchanged, signaling no loose monetary policy. Additionally, hawkish Fed expectations amid sticky inflation numbers in US would limit the upside in metal prices.
- MCX Copper December is expected to face the hurdle near 805 and move lower towards 790. Breakdown of the rising channel and move below the multiple support zone of 805 indicates weakness in price.
- Aluminum is expected to move lower towards 240, as long as it trades under 243. MCX Zinc is expected to dip towards 276, as long as it trades under the 5 day EMA at 283.00

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to face the hurdle near \$70 and move lower towards \$68 amid strong dollar and demand uncertainty from China. Fed's cautious approach towards interest rate cut in the coming year amid sticky inflation numbers would restrict the upside in oil prices. Further, a potential US Govt. shutdown would also disrupt travel and economic activity which could lower fuel demand.
- On the data front, closer of OI in ATM and OTM put strike indicates prices to move lower. Further, addition of OI in ATM and OTM put strikes suggest key resistance near \$70. MCX Crude oil January is likely to dip towards 5850 mark, as long as it trades under 6040. Only close below 5850 it would turn weaker and open the doors towards 5780.
- MCX Natural gas December future is expected to hold its gains and move towards 315, as long as it holds above 290. Forecast of colder weather in US and drawdown in inventory levels would provide support to price.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	74862	75257	75853	76248	76844
Silver	84936	86061	87781	88906	90626
Copper	792.0	794.4	798.3	800.7	804.7
Aluminium	240.0	240.6	241.5	242.1	242.9
Zinc	276.5	277.6	279.6	280.7	282.7
Lead	173.8	175.2	176.4	177.7	178.9
Crude Oil	5850	5887	5946	5983	6042
Nat Gas	285	292	298	305	310

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Dec)	84.70	84.94	85.35	85.59	86.00
US\$INR (Jan)	85.26	85.33	85.36	85.43	85.46
EURINR (Dec)	88.14	88.41	88.58	88.85	89.02
EURINR (Jan)	88.56	88.77	89.04	89.25	89.52
GBPINR (Dec)	106.79	107.27	107.53	108.00	108.27
GBPINR (Jan)	107.36	107.64	107.79	108.08	108.22
JPYINR (Dec)	54.34	54.68	55.34	55.68	56.34
JPYINR (Jan)	55.07	55.33	55.87	56.14	56.67

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	108.03	106.96	1.00%
US\$INR	84.96	84.90	0.06%
EURUSD	1.0353	1.0491	-1.32%
EURINR	89.16	89.04	0.14%
GBPUSD	1.2574	1.2710	-1.07%
GBPINR	107.78	107.72	0.06%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.746	6.759	-0.01
US	4.514	4.399	0.12
Germany	2.245	2.230	0.02
UK	4.558	4.524	0.03
Japan	1.082	1.084	0.00

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
11-12-2024	9:00 PM	-1.4M	-1.0M
04-12-2024	9:00 PM	-5.1M	-1.6M
27-11-2024	9:00 PM	-1.8M	-1.3M
20-11-2024	9:00 PM	0.5M	-0.1M
14-11-2024	9:00 PM	2.1M	0.4M
06-11-2024	9:00 PM	2.1M	0.3M
30-10-2024	8:00 PM	-0.5M	1.5M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	272325	0	0.00%
Aluminium	665025	-2500	-0.37%
Zinc	257525	-2875	-1.10%
Lead	255250	0	0.00%
Nickel	161238	318	0.20%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, December 16, 2024						
7:30 AM	China	Industrial Production y/y	5.40%	5.40%	5.30%	Medium
1:45 PM	Europe	French Flash Manufacturing PMI	41.9	43.2	43.1	High
2:00 PM	Europe	German Flash Manufacturing PMI	42.5	43.1	43	High
2:05 PM	Europe	ECB President Lagarde Speaks	-	-	-	Medium
2:30 PM	Europe	Flash Manufacturing PMI	45.2	45.3	45.2	Medium
3:00 PM	UK	Flash Manufacturing PMI	47.3	48.4	48	High
8:15 PM	US	Flash Manufacturing PMI	48.3	49.4	49.7	High
8:15 PM	US	Flash Services PMI	58.5	55.7	56.1	High
Tuesday, December 17, 2024						
12:30 PM	UK	Claimant Count Change	0.3K	28.2K	26.7K	High
2:30 PM	Europe	German ifo Business Climate	84.7	85.5	85.7	Medium
3:30 PM	Europe	German ZEW Economic Sentiment	15.7	6.4	7.4	Medium
7:00 PM	US	Retail Sales m/m	0.70%	0.60%	0.40%	High
Wednesday, December 18, 2024						
12:30 PM	UK	CPI y/y	2.60%	2.60%	2.30%	High
7:00 PM	US	Building Permits	1.51M	1.43M	1.42M	Medium
9:00 PM	US	Crude Oil Inventories	-0.9M	-1.6M	-1.4M	Medium
Thursday, December 19, 2024						
12:30 AM	US	Federal Funds Rate	4.50%	4.50%	4.75%	High
12:30 AM	US	FOMC Economic Projections	-	-	-	High
Tentative	Japan	BOJ Policy Rate	<0.25%	<0.25%	<0.25%	High
5:30 PM	UK	Official Bank Rate	4.75%	4.75%	4.75%	High
7:00 PM	US	Final GDP q/q	3.10%	2.80%	2.80%	High
7:00 PM	US	Unemployment Claims	220K	245K	242K	High
9:00 PM	US	Natural Gas Storage	-125B	-123B	-190B	Medium
Friday, December 20, 2024						
6:45 AM	China	1-y Loan Prime Rate	3.10%	3.10%	3.10%	Medium
6:45 AM	China	5-y Loan Prime Rate	3.60%	3.60%	3.60%	Medium
12:30 PM	UK	Retail Sales m/m	-	0.50%	-0.70%	High
7:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.30%	High



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

I/We, Jay Thakkar MBA (Finance), Raj Deepak Singh BE, MBA (Finance), Saif Mukadam BSc, MMS (Finance), Anup Sahu BSc, MBA (Finance) Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Bhavesh Soni Email address: headsservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Disclaimer



Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.