

May 13, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	May	Sell	867-867.50	855	872	Intraday

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News and Developments

- Spot gold prices hit its highest level in 2-weeks amid renewed hopes that the Federal Reserve would cut the rates. Weaker than expected US consumer sentiments data supported the bets that the Fed might cut the rates earlier than anticipated. US consumer sentiment showed a decline to 67.4 in a preliminary May reading, down from 77.2 in the prior month. Further, safe haven bids due to the ongoing tension in the Middle East also supported the bullions. Meanwhile hawkish Fed comments restricted its upside.
- US dollar index recovered from its earlier losses amid hawkish comments from the Fed Governor Michelle Bowman as she emphasized to keep rates at current levels for a bit longer.
- 10 year US treasury yields moved up 4.50% and the 2 year US treasury yields jumped to 4.87%.
- NYMEX crude oil prices pared all its gains and lost almost 1% towards the end of the session after weaker than expected US consumer sentiment data ruined the demand hopes ahead of the Summer driving season in US. Prices failed to get any support from the ongoing tension in the Middle East.
- Copper prices extended its gains and move beyond the \$10,000 per ton mark in LME amid supply deficit and bullish demand outlook. Improved China's trade data and measures to support the property market helped prices to move up
- Aluminum edged lower amid sharp jump in LME inventories. Inventory of Aluminium in LME jumped to 903850 tons, its highest level since January 2022.
- Natural gas futures pared its earlier gains and lost almost 2% on Friday on forecasts for milder weather over the next two weeks. Meanwhile, drop in US gas production limited the downside in prices.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72727	1.52%	2360.50	0.60%
Silver	84910	0.49%	28.18	-0.47%
Copper	869.8	1.15%	10004.00	1.00%
Aluminium	230.9	-1.45%	2529.50	-1.25%
Zinc	261.3	0.97%	2930.50	0.72%
Lead	194.2	0.10%	2222.50	-0.49%
WTI Crude Oil	6551	-0.83%	78.26	-1.26%
US Nat Gas	209.0	-1.09%	2.25	-2.13%

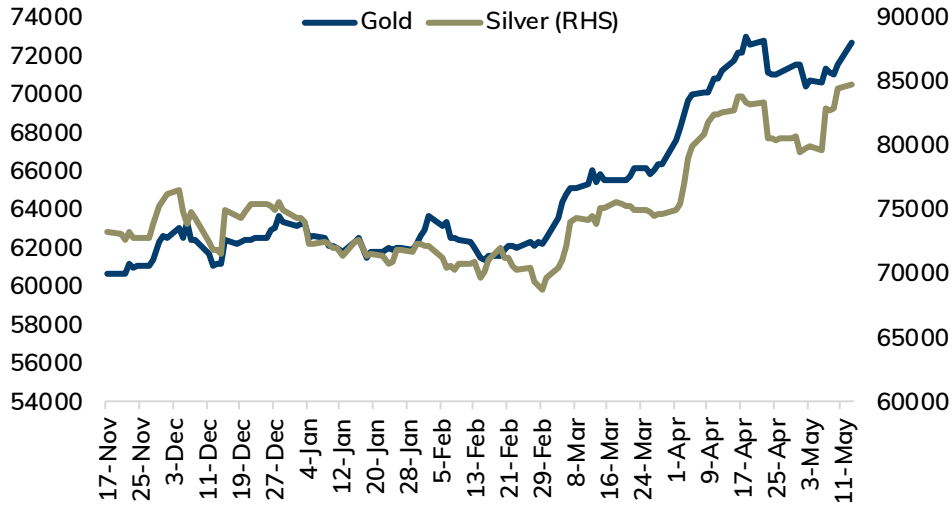
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th May)	83.55	-0.01%	3193622	-34443	155136	-439819
EURINR (29th May)	89.96	0.38%	17208	730	3807	673
GBPINR (29th May)	104.52	0.26%	12097	102	2217	-101

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	June	Buy	71900-71920	72550	71600	Target Achieved

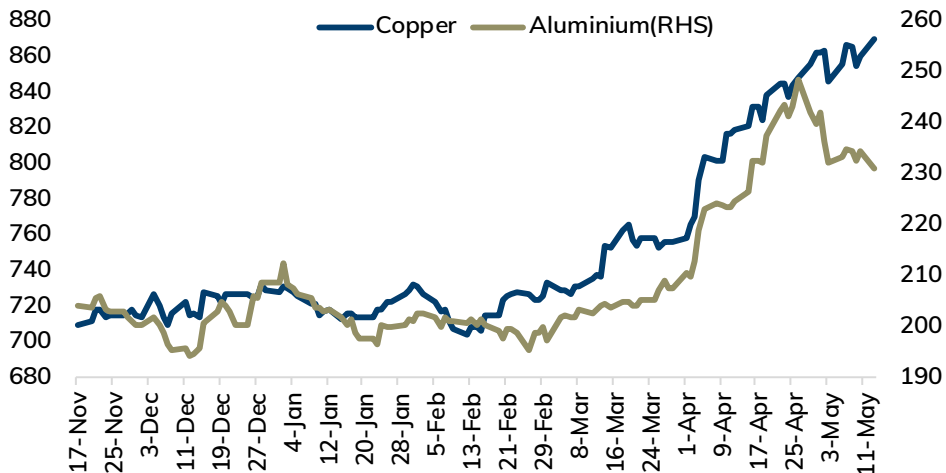
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold its gains and move higher on growing bets that the US Federal Reserve will reduce the rates this year. Last week's mixed batch of economic numbers may be the trigger that is needed to push inflation lower. Further, increasing physical buying from China would also support the bullions to hold its gains. Additionally persistence geopolitical risk would favor the safe haven buying in the yellow metal. Today focus will remain on Fed member's speech which could give further clarity on the interest rate outlook.
- MCX Gold June is expected to hold the support near 72,200 and extend its rally towards 73,200. Only a move below 72,200 it would slide towards 71,800.
- MCX Silver July is expected to hold the support near 83,400 and move towards the initial hurdle at 85,500. Only a move above 85,500, it would open the doors towards 87,000.

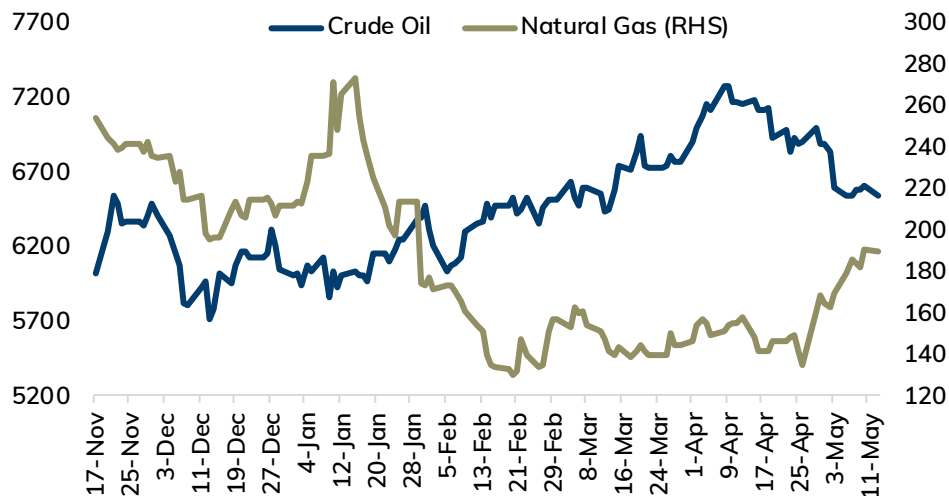
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to take a pause in its rally after recent data from China pointed towards deflation in factory activity. Increasing concerns on economic growth, weighed down by a sluggish demand growth in the housing sector would limit its upside. Meanwhile, rise in inflation numbers for the 3rd straight month in a row suggesting steady domestic demand despite a shaky economic recovery. The downside in the metal could be limited due to supply concerns and hopes of fresh stimulus from China
- For the day MCX Copper May is likely to decline towards 10 day EMA at 855, as long as it trades under 872.
- Aluminum May future is expected to face the hurdle near 233 and decline towards 227. Below 227, next support exists around 224.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to dip towards the \$77 mark on sign of weak fuel demand from US after recent batch of economic data suggested slower demand. Further, rise in US gasoline and distillate inventory ahead of the start of the US driving season would check any major upside in oil prices. Meanwhile, ongoing geopolitical tension and growing bets that the OPEC+ to extend its supply cuts into the second half of the year would limit its downside.
- MCX Crude oil May future is expected to dip towards 6450, as long as it trades under 6700. Only, below 6450 it would slide further towards 6350.
- Natural Gas prices are expected to take a pause in its rally and move lower amid forecast of mild weather in US and higher inventory. MCX Natural gas May futures is expected dip towards 182, as long as it trades under 195.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71290	72009	72448	73167	73606
Silver	83605	84257	85035	85687	86465
Copper	853.4	861.6	870.2	878.4	887.0
Aluminium	226.9	228.9	232.6	234.6	238.4
Zinc	256.9	259.1	260.9	263.1	264.9
Lead	193.3	193.7	194.4	194.8	195.4
Crude Oil	6452	6502	6595	6645	6738
Nat Gas	205	207	211	213	216

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.49	83.52	83.54	83.57	83.59
US\$INR (Jun)	83.59	83.62	83.65	83.68	83.71
EURINR (May)	89.58	89.77	89.89	90.08	90.20
EURINR (Jun)	89.78	89.89	89.94	90.05	90.10
GBPINR (May)	104.16	104.34	104.48	104.66	104.80
GBPINR (Jun)	104.46	104.53	104.59	104.66	104.71
JPYINR (May)	53.25	53.50	53.70	53.95	54.15
JPYINR (Jun)	54.41	54.53	54.71	54.83	55.01

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.30	105.23	0.07%
US\$INR	83.50	83.51	-0.01%
EURUSD	1.0771	1.0782	-0.10%
EURINR	90.02	89.62	0.45%
GBPUSD	1.2525	1.2524	0.01%
GBPINR	104.62	104.27	0.33%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.128	7.132	-0.004
US	4.496	4.453	0.0432
Germany	2.517	2.495	0.022
UK	4.166	4.142	0.024
Japan	0.912	0.918	-0.006

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
4/10/2024	8:00 PM	5.8M	0.9M
4/3/2024	8:00 PM	3.2M	-0.3M
3/27/2024	8:00 PM	3.2M	-0.7M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	103450	-925	-0.89%
Aluminium	903850	424000	88.36%
Zinc	251950	-175	-0.07%
Lead	234575	-6300	-2.62%
Nickel	80286	282	0.35%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, May 13, 2024						
5:30 PM	India	CPI y/y	-	4.80%	4.85%	High
All Day	Europe	Eurogroup Meetings	-	-	-	Medium
Tuesday, May 14, 2024						
11:30 AM	UK	Claimant Count Change	-	13.9K	10.9K	High
11:30 AM	UK	Average Earnings Index 3m/y	-	5.30%	5.60%	Medium
11:30 AM	UK	Unemployment Rate	-	4.30%	4.20%	Medium
6:00 PM	US	PPI m/m	-	0.30%	0.20%	High
7:30 PM	US	Fed Chair Powell Speaks	-	-	-	High
Wednesday, May 15, 2024						
2:30 PM	Europe	Flash GDP q/q	-	0.30%	0.30%	Medium
2:30 PM	Europe	Industrial Production m/m	-	-0.30%	0.80%	Medium
3:30 PM	India	Trade Balance	-	-	-15.6B	High
6:00 PM	US	CPI y/y	-	3.40%	3.50%	High
6:00 PM	US	Retail Sales m/m	-	0.40%	0.70%	High
6:00 PM	US	Empire State Manufacturing Index	-	-10.8	-14.3	High
8:00 PM	US	Crude Oil Inventories	-	-	-1.4M	Medium
Thursday, May 16, 2024						
5:20 AM	Japan	Prelim GDP q/q	-	-0.40%	0.10%	Medium
6:00 PM	US	Unemployment Claims	-	-	231K	High
6:00 PM	US	Building Permits	-	1.48M	1.46M	Medium
6:00 PM	US	Philly Fed Manufacturing Index	-	7.7	15.5	Medium
6:45 PM	US	Industrial Production m/m	-	0.20%	0.40%	Medium
8:00 PM	US	Natural Gas Storage	-	-	79B	Medium
Friday, May 17, 2024						
7:30 AM	China	Industrial Production y/y	-	5.40%	4.50%	High
7:30 AM	China	Retail Sales y/y	-	3.90%	3.10%	High



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