

June 27, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	July	Sell	845-846	835	852	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

- Gold prices lost almost 1% on Wednesday and hit its lowest level in 2-weeks amid strong dollar and rise in US treasury yields. Hawkish comments from the Fed members has dampened the rate cut expectation this year.
- Silver prices edged lower amid strong dollar and hawkish stance from the Fed members. But prices also found support after the long silver holdings in ETFs rose to 1-month high.
- Dollar index extended its rally amid hawkish comments from the Fed members. Further, weakness in Japanese yen which hit its lowest level in 38-year against the dollar also supported the dollar index to rise above 106.00 mark. Meanwhile, lower than expected US new homes sales numbers checked the upside in the dollar.
- US 10-year treasury yields edged higher and settled near 4.33 and the 2-year treasury yields remained steady near 4.74
- NYMEX Crude oil prices edged higher yesterday despite a rise in US crude and gasoline inventories last week. Oil stocks grew by 3.6 million barrels to 460.7 million barrels, while gasoline inventories increased by 2.7 million barrels to 233.9 million barrels. But, it settled below the \$81 mark as strong dollar checked its upside. Meanwhile, tension in the Middle east and expectation of summer demand in US supported the oil prices to recover all its losses.
- Copper prices hit its lowest level in 2-months amid stronger dollar, rising inventory levels and subdued demand from top metal consumer China.
- Natural Gas prices fell more than 2% amid increase in output from major producers to meet rising summer demand. Further higher inventory levels also weighed on the gas prices.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71089	-0.53%	2298.23	-0.92%
Silver	86965	0.03%	28.77	-0.48%
Copper	840.8	0.23%	9540.00	-0.32%
Aluminium	229.8	0.66%	2512.00	0.64%
Zinc	265.3	2.67%	2941.00	2.44%
Lead	188.9	-0.05%	2195.00	-0.66%
WTI Crude Oil	6805	0.50%	80.90	0.09%
US Nat Gas	231.5	-3.82%	2.63	-4.64%

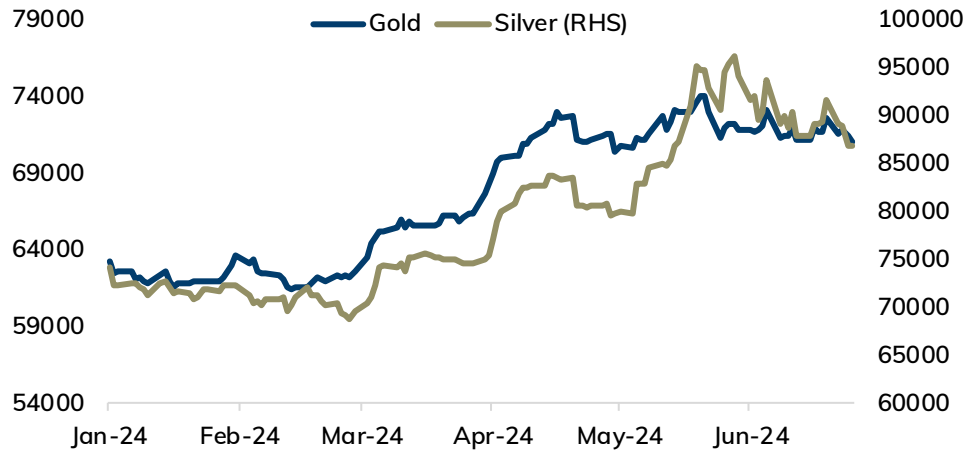
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.54	0.13%	2009040	-72672	116804	-490662
EURINR (26th June)	89.41	-0.09%	4883	-4906	6613	3388
GBPINR (26th June)	105.96	0.06%	4245	-1032	3359	1672

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	July	Sell	844-845	833	851	Not initiated

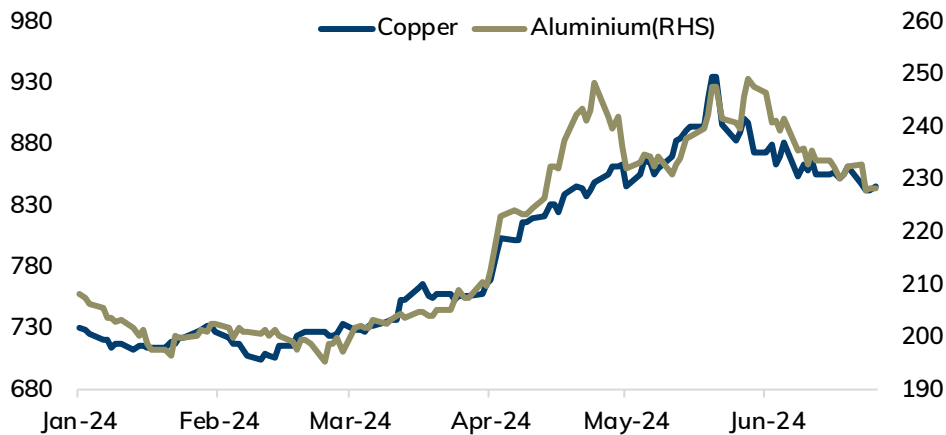
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected to remain under pressure amid strong dollar and fading hopes of early rate cut in September. Hawkish comments from the Fed members and expectation of improved GDP numbers in US would limit the upside in the bullions. Meanwhile, rise in jobless claims numbers indicates crack in the job market, which could provide some support to the bullions. Along with that safe haven bids on the back of geopolitical and economic uncertainties might help the precious metal to trim its losses. However, Meanwhile, breakdown of a bearish flag on the daily charts indicates prices to remain under pressure.
- MCX Gold Aug is expected to dip towards the key support near 70700 as it has breached the intermediate support at 71200. Formation of bearish engulfing on the daily charts would limit its upside. Only close below 70,700, it would weaken towards 70,300.
- MCX Silver July is expected to move lower towards 86,000, as long as it trades under 88,200.

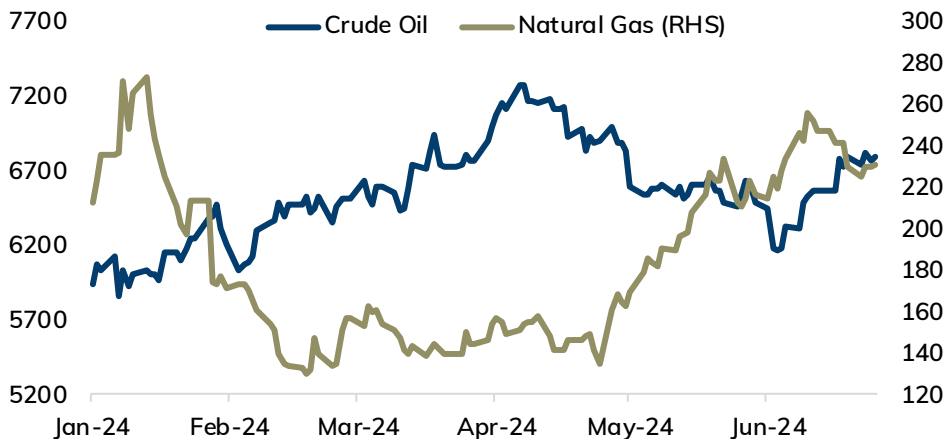
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to remain under pressure amid soft Chinese demand and strong dollar. Absence of new bidders from the end users in China amid higher prices led to buildup of inventories. Further, lower imports of refined copper led to record-low premiums for Shanghai grade A copper cathode indicating sluggish growth. Further, rise in inventory levels in LME and other major exchanges would limit its upside. Meanwhile, hopes of fresh round of stimulus from China could limit its downside.
- MCX Copper July is expected to face the hurdle near 850 and move lower towards 830. Bearish cross over of 10 and 20 day EMA in the daily charts along with bearishness in the oscillator (RSI below 50) would weaken the metal towards 830.
- Aluminum is expected to trade weak and move towards 227, as long as it remains under 233 mark.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to face the hurdle near \$82 and move lower towards the \$80 mark amid strong dollar and slow demand from the top oil consumer. Meanwhile, escalating Mideast tension and decline in oil exports from Russian due to recent EU sanction on 17 ships carrying Russian oil would support the oil to hold above the \$80 mark. On the other hand, disappointing economic numbers from China and stronger dollar due to hawkish comments from the Fed members would restrict its upside. Moreover, higher OI concentration at OTM call strikes indicates price may face stiff resistance near \$82. on the downside \$80 holds as key support.
- MCX Crude oil July is likely to dip towards the 10 day EMA support near 6700, as long as it trades under 6850. Only a move below 6700, it would decline towards 6620.
- MCX Natural gas July is likely face the hurdle near 240 and move lower towards 226.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70524	70807	71164	71447	71804
Silver	85620	86292	86829	87501	88038
Copper	831.4	836.1	840.0	844.7	848.7
Aluminium	226.7	228.2	229.2	230.7	231.7
Zinc	255.6	260.4	263.1	268.0	270.7
Lead	187.9	188.4	189.2	189.7	190.5
Crude Oil	6658	6731	6780	6853	6902
Nat Gas	226	229	234	236	241

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	83.38	83.46	83.52	83.60	83.65
US\$INR (July)	83.44	83.55	83.62	83.74	83.81
EURINR (June)	89.20	89.30	89.40	89.50	89.60
EURINR (July)	89.48	89.53	89.59	89.64	89.70
GBPINR (June)	105.86	105.91	105.95	106.01	106.05
GBPINR (July)	105.76	105.81	105.90	105.96	106.05
JPYINR (June)	52.09	52.18	52.30	52.39	52.51
JPYINR (July)	52.45	52.50	52.55	52.60	52.65

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.61	105.47	0.13%
US\$INR	83.43	83.47	-0.04%
EURUSD	1.0714	1.0733	-0.18%
EURINR	89.48	89.50	-0.02%
GBPUSD	1.2686	1.2686	0.00%
GBPINR	105.88	105.74	0.13%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.986	6.974	0.00
US	4.248	4.232	0.00
Germany	2.412	2.419	0.00
UK	4.079	4.081	0.00
Japan	1.004	0.996	0.01

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
5/30/2024	8:30 PM	-4.2M	-1.6M
5/22/2024	8:00 PM	1.8M	-2.4M
5/15/2024	8:00 PM	-2.5M	-0.4M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	175475	2625	1.52%
Aluminium	1038725	-5600	-0.54%
Zinc	239850	-350	-0.15%
Lead	223500	-25	-0.01%
Nickel	93264	1254	1.36%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 24, 2024						
1:30 PM	Europe	German ifo Business Climate	88.6	89.4	89.3	Medium
3:30 PM	UK	CBI Industrial Order Expectations	-18	-26	-33	Medium
Tuesday, June 25, 2024						
6:30 PM	US	S&P/CS Composite-20 HPI y/y	7.20%	7%	7.40%	Medium
7:30 PM	US	CB Consumer Confidence	100.4	100.2	102	High
7:30 PM	US	Richmond Manufacturing Index	-10	2	0	Medium
Wednesday, June 26, 2024						
11:30 AM	Europe	German GfK Consumer Climate	-21.8	-19.9	-20.9	Medium
7:30 PM	US	New Home Sales	619K	650K	634K	Medium
8:00 PM	US	Crude Oil Inventories	3.6M	(-2.6)M	(-2.5)M	Medium
Thursday, June 27, 2024						
6:00 PM	US	Final GDP q/q	-	1.40%	1.30%	High
6:00 PM	US	Unemployment Claims	-	240K	238K	High
6:00 PM	US	Durable Goods Orders m/m	-	-0.10%	0.60%	High
6:00 PM	US	Goods Trade Balance	-	-96B	-99.4B	Medium
7:30 PM	US	Pending Home Sales m/m	-	-	-7.70%	Medium
8:00 PM	US	Natural Gas Storage	-	-	71B	Medium
Friday, June 28, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	-	2%	1.90%	Medium
11:30 AM	UK	Current Account	-	-17.7B	-21.2B	Medium
6:00 PM	US	Core PCE Price Index m/m	-	0.10%	0.20%	High
7:15 PM	US	Chicago PMI	-	40	35.4	Medium
7:30 PM	US	Revised UoM Consumer Sentiment	-	65.9	65.6	High



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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

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

For any queries or grievances: Mr. Prabodh Avadhoot Email address: [headservicequality@icicidirect.com](mailto:headservicequality@icicidirect.com) Contact Number: 18601231122

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