

August 29, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	September	Buy	6240-6250	6380	6170	Intraday

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News and Developments

- Gold prices edged lower as most traders turned cautious ahead of the key US economic numbers. Further rebound in the dollar also weighed on the precious metals. However, losses were limited as safe-haven demand for yellow metal remains strong due to Middle-East tensions. Silver prices lost more than 2% as strong dollar and demand concerns weighed on the metal to trade below \$30 mark
- Dollar index bounced back from its 13 month lows ahead of the key US economic numbers. Despite the recovery the index is still on track for its largest monthly drop since November 2022. Fading concerns of recession due to better economic numbers from US has supported the dollar to rise above the 101 mark. Also weakness in the Yen amid dovish comments from the Japanese officials supported the dollar.
- US 10-year US treasury yields rose on Tuesday, as investors assessed the likelihood that the U.S. economy will be able to avoid a recession. Meanwhile, 2-year yields edged lower to 3.87%.
- NYMEX crude oil prices traded lower on Wednesday as demand worries overshadowed the supply concerns. Sluggish demand from China and improved export from Russia kept prices under pressure. Further, less than expected decline in weekly crude oil inventories also limited its upside. Meanwhile, drop in gasoline inventories provided some support to oil prices. Moreover, supply disruption from Libya and geopolitical tension in the Middle East limited the downside in oil prices.
- Copper prices lost more than 1% on amid demand concerns from top metal consumer China and a rebound in the dollar. Further, forecast of lower demand from China in the coming quarter due to weaker manufacturing activities and lower house prices also weakened the metal prices.
- NYMEX natural gas prices witnessed a sharp rebound from its 4-month low amid forecast of warm weather in most part of US.

Source: Bloomberg, Reuters, ICICI Direct Research

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72122	0.08%	2524.64	0.26%
Silver	85658	0.09%	29.98	0.24%
Copper	819.1	0.65%	9448.00	1.72%
Aluminium	233.6	0.56%	2549.50	0.30%
Zinc	271.4	0.54%	2943.00	1.06%
Lead	188.9	0.37%	2124.00	0.33%
WTI Crude Oil	6353	-2.05%	75.53	-2.44%
US Nat Gas	174.2	-3.44%	1.90	-2.66%

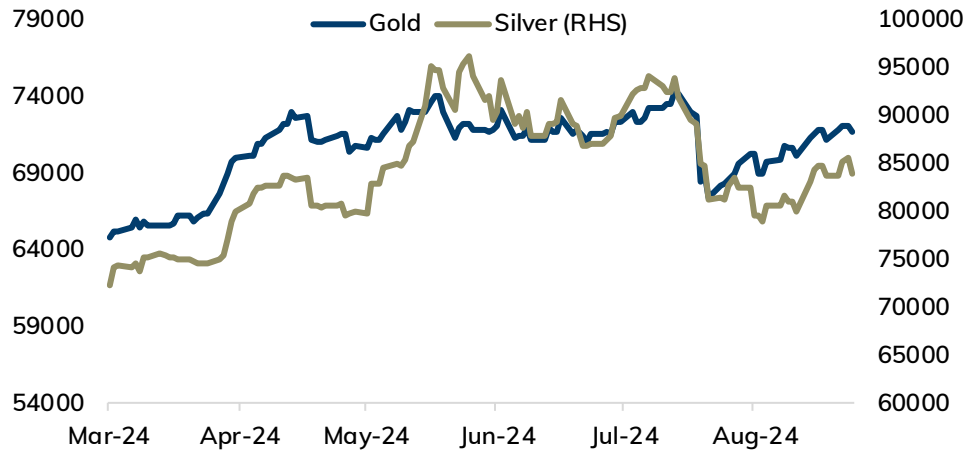
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th August)	83.93	0.03%	2140138	-244013	775221	186869
EURINR (28th August)	93.79	0.07%	13960	-6232	7899	5439
GBPINR (28th August)	111.00	0.26%	7371	-16503	18477	13269

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	October	Buy	71800-71850	72300	71550	Stop Loss Triggered

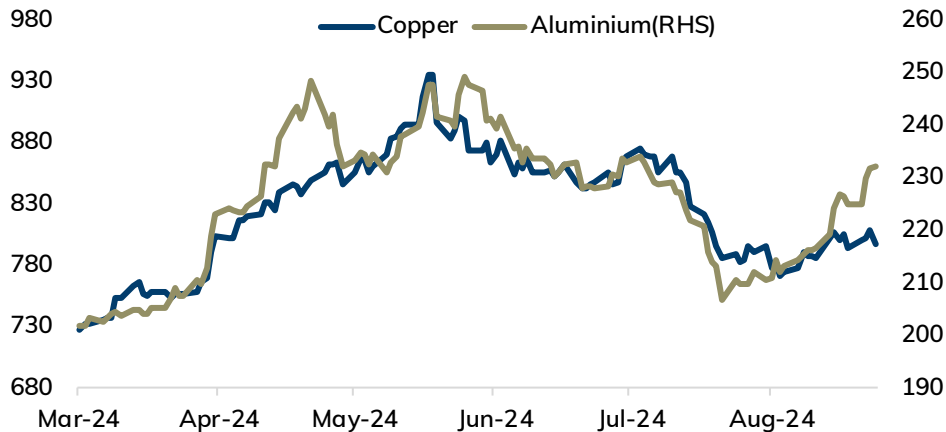
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold above \$2490 and move towards \$2530 ahead of the key economic numbers from US. Rise in weekly jobless claims numbers would hurt the dollar. Similarly, weaker than expected US housing data would also support the bullions to hold firm. Meanwhile, investors will focus on the preliminary GDP numbers which is expected to show sign of improvement in the economy. Gold prices are likely to hold firm amid strong inflows into the gold ETFs and rising net longs in the futures which rose a 6-month high on Tuesday. Further, safe haven buying amid ongoing tension in the Middle East would provide support to the bullions.
- MCX Gold Oct is trading above the bullish cross over of 10 and 20 day EMA. Prices are expected to hold the support of 10-DEMA 71,500 and rise towards 72,200. Only close below 71,500 it would decline towards 71,000.
- Spot silver is hovering near the 20 day EMA \$29.00. A move below \$29 would bring correction in price towards \$28.50. MCX Silver September is expected to hold the support near 83,500 and rise back towards 85,400.

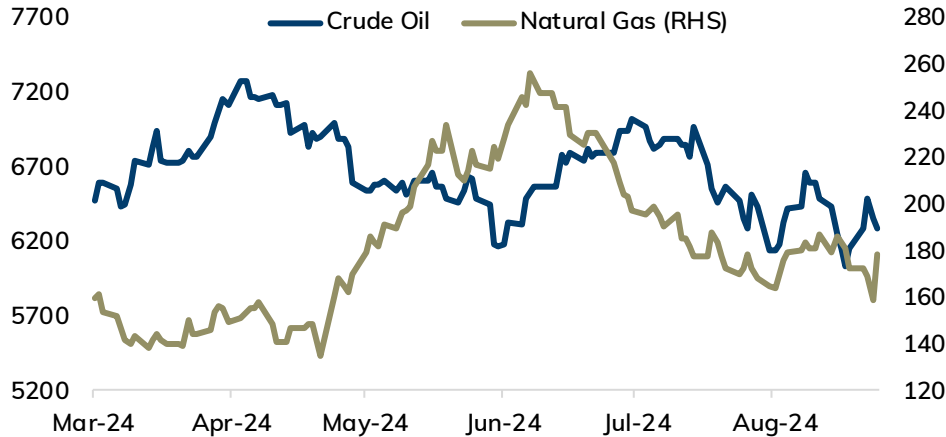
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to find the floor amid improved risk sentiments and supply concerns from the top metal producing country Chile. Meanwhile, rising LME inventories and demand concerns from the top metal consumer China would restrict any major upside in the metal. Furthermore, expectation of weaker manufacturing activity in China would also hurt the demand outlook of the metal.
- MCX Copper September is expected to hold the support of 20 DEMA at 802 and rebound towards 812. Only close below 802 it would weaken towards 796.
- MCX Aluminium is expected to face the hurdle near 233 and weaken towards 227. Only close below 227 it would weaken further towards 225.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to consolidate in the band of \$73.50 and \$76 amid mixed set of factors. Demand concerns from China and improved supplies from Russia would restrict the upside, where as fears of broadening Middle East conflicts and improved risk appetite would limit its downside. Increasing OI concentration in OTM and ATM put strikes indicates strong support near \$73.50. On the upside, higher oi concentration observed at 77 and 80 strike call which would act as major resistance.
- MCX Crude oil Sep is likely to hold the support near 6200 and rise back towards 6400. Only close below 6200, it would turn weaker towards 6100.
- MCX Natural gas September is likely to hold the support near 174 and rebound towards the 10-day EMA at 184. Only a sustained move above 184 it would extend its rebound towards 190.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71587	71855	72007	72275	72427
Silver	84632	85145	85557	86070	86482
Copper	810.2	814.7	817.5	822.0	824.8
Aluminium	228.5	231.0	232.6	235.1	236.7
Zinc	266.1	268.7	270.3	272.9	274.5
Lead	186.9	187.9	188.6	189.6	190.3
Crude Oil	6229	6291	6402	6464	6575
Nat Gas	168	171	176	179	183

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	83.89	83.91	83.93	83.95	83.97
US\$INR (Sep)	83.92	83.97	84.00	84.05	84.08
EURINR (Aug)	93.53	93.66	93.80	93.93	94.07
EURINR (Sep)	93.52	93.64	93.75	93.87	93.98
GBPINR (Aug)	110.41	110.70	110.98	111.27	111.54
GBPINR (Sep)	110.29	110.64	110.85	111.20	111.42
JPYINR (Aug)	57.66	57.79	57.94	58.08	58.23
JPYINR (Sep)	57.35	57.65	57.81	58.11	58.26

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.55	100.85	-0.30%
US\$INR	83.92	83.90	0.03%
EURUSD	1.1184	1.1161	0.21%
EURINR	93.73	93.75	-0.02%
GBPUSD	1.3261	1.3188	0.55%
GBPINR	111.08	110.65	0.38%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.861	6.851	0.00
US	3.822	3.816	0.00
Germany	2.288	2.248	0.02
UK	3.998	3.912	0.02
Japan	0.884	0.891	-0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
7/24/2024	8:00 PM	-3.7M	-2.6M
7/17/2024	8:00 PM	-4.9M	-0.9M
7/10/2024	8:00 PM	-3.4M	0.7M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	317175	1600	0.51%
Aluminium	867225	-3725	-0.43%
Zinc	255800	-250	-0.10%
Lead	185100	4200	2.32%
Nickel	116616	0	0.00%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, August 26, 2024						
1:30 PM	Europe	German ifo Business Climate	86.6	86	87	Medium
6:00 PM	US	Durable Goods Orders m/m	9.90%	4%	-6.70%	Medium
Tuesday, August 27, 2024						
6:30 PM	US	S&P/CS Composite-20 HPI y/y	6.50%	6.90%	6.80%	Medium
7:30 PM	US	CB Consumer Confidence	103.3	100.2	100.3	High
7:30 PM	US	Richmond Manufacturing Index	-19	-14	-17	Medium
Wednesday, August 28, 2024						
10:45 AM	US	FOMC Member Waller Speaks	-	-	-	Medium
8:00 PM	US	Crude Oil Inventories	-	-2.7M	-4.6M	Medium
Thursday, August 29, 2024						
All Day	Europe	German Prelim CPI m/m	-	0.00%	0.30%	High
6:00 PM	US	Prelim GDP q/q	-	2.80%	2.80%	High
6:00 PM	US	Unemployment Claims	-	234K	232K	High
7:30 PM	US	Pending Home Sales m/m	-	0.20%	4.80%	Medium
8:00 PM	US	Natural Gas Storage	-	-	35B	Medium
Friday, August 30, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	-	2.20%	2.20%	Medium
2:00 PM	UK	Net Lending to Individuals m/m	-	3.4B	3.8B	Medium
2:30 PM	Europe	CPI Flash Estimate y/y	-	2.20%	2.60%	High
6:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.20%	High
6:00 PM	US	Personal Spending m/m	-	0.50%	0.30%	Medium
7:15 PM	US	Chicago PMI	-	44.4	45.3	Medium
7:30 PM	US	Revised UoM Consumer Sentiment	-	67.9	67.8	Medium



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