

September 26, 2024

Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	October	Buy	834-835	844	830	Intraday

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News and Developments

- Spot gold prices rose again and hit another record high on Wednesday amid growing prospects of lower interest rates from major central banks and safe haven buying. Spot gold has rallied almost 4% since the last FOMC meeting where the Fed has reduced the rates for the first time since 2020.
- Dollar index recovered from its early losses on better than expected US new home sales report. US Aug new home sales fell -4.7% MoM to 716,000, a smaller decline than expectations of a decline to 700,000. Meanwhile, increasing bets of 50 bps interest rate cut by the Fed in November checked its upside.
- US treasury yields moved in a tight range ahead of the key economic numbers and speech from the US Federal chair Jerome Powell in Thursday. 10-year US treasury yields settled at 3.77% and 2-year yields settled at 3.55%.
- NYMEX crude oil prices rebounded from its day's lows, but lost more than 1% despite the drawdown crude oil inventories. Weekly EIA crude inventory data reported a larger than expected drawdown in stocks. Crude inventories decreased by 4.5M barrels most in last 3-weeks. In addition, gasoline stocks decreased by 1.538 million, against forecasts of a 0.02 million drop. Distillate stockpiles, which include diesel and heating oil, went down by 2.227 million barrels.
- Base metals prices extended its gains for 3rd day in a row after the top consumer China unveiled a list of easing measures to support the economy. Further, fresh guideline from the official to increase employment in the region also supported the metals to stick with its gains.
- NYMEX natural gas traded higher as a new Gulf storm Helen cuts supply. Further, forecast of warmer temperature over the next 14-days increased the bets of higher demand from electricity suppliers.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	75149	0.19%	2652.44	-0.18%
Silver	91600	-0.86%	31.64	-1.43%
Copper	840.5	0.48%	9817.00	0.16%
Aluminium	233.7	-0.74%	2540.00	-0.67%
Zinc	274.1	-0.33%	2992.00	-0.56%
Lead	184.2	0.27%	2102.00	0.81%
WTI Crude Oil	5850	-2.22%	69.71	-2.59%
US Nat Gas	236.8	1.15%	2.62	2.82%

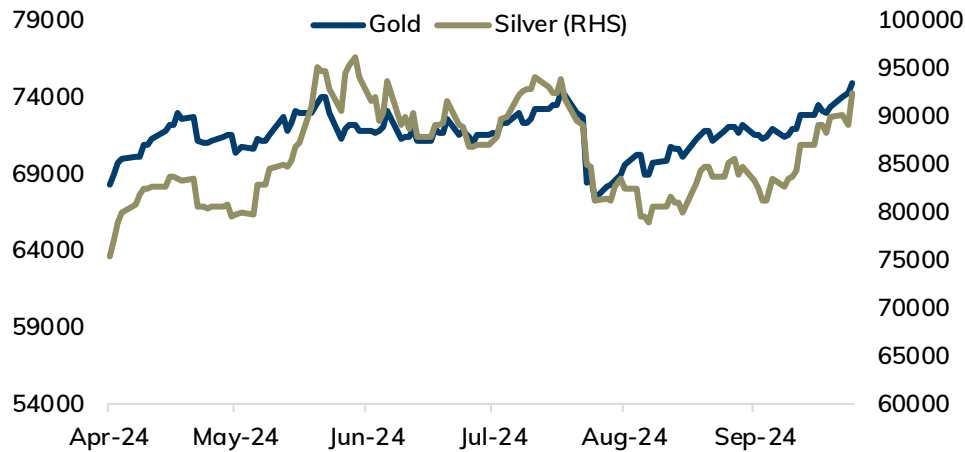
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th September)	83.61	-0.09%	2196674	-67054	643036	352831
EURINR (26th September)	93.46	0.35%	25861	141	5224	-7454
GBPINR (26th September)	111.81	-0.02%	29845	-15777	22134	10113

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	October	Buy	5920-5930	6100	5840	Stop Loss Triggered

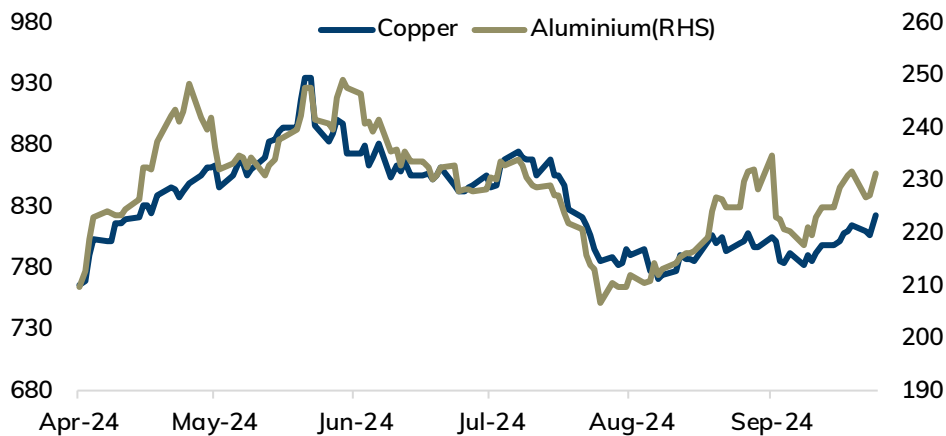
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to trade with a bullish bias ahead of an eventful day on Thursday, as most investors would await comments from the Fed chair Jerome Powell and other Fed members. Meanwhile, expectation of moderation in the US GDP numbers and rise in weekly unemployment claims data would also support the Fed to turn dovish. Moreover, persistence increasing ETF holdings and highest net longs in COMEX Futures which hit its highest level since 2020 indicates bullishness in price. Further, closer of OI in ATM and OTM call strikes indicates higher prices. In addition to that increasing OI in ATM and OTM put strike would provide strong support to the yellow metal.
- MCX Gold Oct is expected to hold the key support at 74600 and move higher towards 75,500. A move above 75,500 would open the doors towards 76,000.
- MCX Silver December is expected to rise towards 94,500, as long as it hold above the support of 91,000.

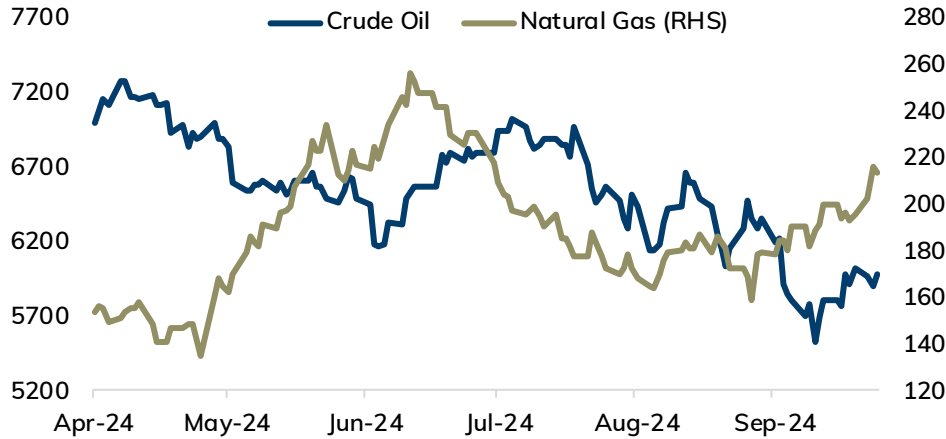
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to hold its gains amid improved risk sentiments. Latest measure from China and growing environments of lower interest rates would push the metal prices higher. Further, improving demand from China as indicated by the rising premiums of refined metals would provide necessary strength to the base metals. Meanwhile, focus will shift to US GDP numbers and speech from the US Federal Reserve which could bring more clarity on the quantum of interest rate cut in this year.
- MCX Copper October is expected to hold the immediate support at 833 and move higher towards 845. Above 845 it would open the doors towards 852.
- MCX Aluminium is expected to rise towards 238, as long as it trades above 233. Prices are likely to get support from the uncertainty around alumina supply in China, as output issues from Guinea and Australia persists.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to move in the band of \$69 to \$72 with a bias on the north amid improved risk sentiments and persistent tension in the Middle East. A wider Middle East conflicts is likely to provide support to prices. Further, falling US crude and fuel inventories would also support the energy prices. Prices, may find strength amid growing prospects of more interest rate cut by major central banks to support the growth in the economy. Meanwhile, increasing OI in OTM Call strikes and OTM Put strikes indicates a tight range in the near term. Later the day focus will remain on the comments from the Fed chair Jerome Powell.
- MCX Crude oil October is likely to consolidate in the band of 5800 and 6050 with tilt on the upside. Only a move above 6050 would open the doors towards 6200.
- MCX Natural gas October is expected rise towards 245, as long as it holds above 230 amid production restraints.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	74383	74766	75383	75766	76383
Silver	90631	91116	92025	92510	93419
Copper	829.8	835.1	839.7	845.0	849.6
Aluminium	229.5	231.6	234.2	236.3	238.9
Zinc	270.7	272.4	274.8	276.5	278.9
Lead	178.7	181.5	183.0	185.7	187.2
Crude Oil	5705	5777	5891	5963	6077
Nat Gas	231	234	238	241	244

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	83.46	83.54	83.60	83.67	83.74
US\$INR (Oct)	83.57	83.65	83.72	83.80	83.87
EURINR (Sep)	93.07	93.26	93.52	93.71	93.97
EURINR (Oct)	93.34	93.48	93.59	93.73	93.84
GBPINR (Sep)	111.40	111.61	111.95	112.16	112.50
GBPINR (Oct)	111.45	111.63	111.94	112.12	112.43
JPYINR (Sep)	57.57	57.73	58.02	58.18	58.47
JPYINR (Oct)	58.02	58.11	58.31	58.40	58.60

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.85	100.47	0.38%
US\$INR	83.60	83.67	-0.08%
EURUSD	1.1138	1.1180	-0.38%
EURINR	93.51	93.17	0.37%
GBPUSD	1.3336	1.3413	-0.57%
GBPINR	111.79	111.92	-0.11%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.735	6.760	-0.02
US	3.770	3.728	0.04
Germany	2.175	2.148	0.03
UK	3.990	3.941	0.05
Japan	0.815	0.816	0.00

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
25-09-2024	8:00 PM	-4.5M	-1.6M
18-09-2024	8:00 PM	-1.6M	-0.2M
11-09-2024	8:00 PM	0.8M	0.9M
05-09-2024	8:30 PM	-6.9M	-0.6M
28-08-2024	8:00 PM	-0.8M	-2.7M
21-08-2024	8:00 PM	-4.6M	-2.0M
14-08-2024	8:00 PM	1.4M	-1.9M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	303350	1500	0.50%
Aluminium	800525	-2500	-0.31%
Zinc	255225	-1725	-0.67%
Lead	202150	-800	-0.39%
Nickel	124404	264	0.21%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, September 23, 2024						
12:45 PM	Europe	French Flash Manufacturing PMI	44	44.3	43.9	High
1:00 PM	Europe	German Flash Manufacturing PMI	40.3	42.4	42.4	High
1:30 PM	Europe	Flash Manufacturing PMI	44.8	45.7	45.8	Medium
2:00 PM	UK	Flash Manufacturing PMI	51.5	52.3	52.5	High
7:15 PM	US	Flash Manufacturing PMI	47	48.6	47.9	High
7:15 PM	US	Flash Services PMI	55.4	55.3	55.7	High
Tuesday, September 24, 2024						
10:35 AM	Japan	BOJ Gov Ueda Speaks	-	-	-	High
1:30 PM	Europe	German ifo Business Climate	85.4	86.1	86.6	Medium
6:30 PM	US	S&P/CS Composite-20 HPI y/y	5.90%	5.90%	6.50%	Medium
7:30 PM	US	CB Consumer Confidence	98.7	103.5	103.3	High
7:30 PM	US	Richmond Manufacturing Index	-21	-17	-19	Medium
Wednesday, September 25, 2024						
7:30 PM	US	New Home Sales	716K	693K	739K	Medium
8:00 PM	US	Crude Oil Inventories	-4.5M	-1.3M	-1.6M	Medium
Thursday, September 26, 2024						
11:30 AM	Europe	German GfK Consumer Climate	-	-22.6	-22	Medium
6:00 PM	US	Final GDP q/q	-	2.90%	3.00%	High
6:00 PM	US	Unemployment Claims	-	224K	219K	High
6:00 PM	US	Durable Goods Orders m/m	-	-2.70%	9.80%	Medium
6:00 PM	US	Final GDP Price Index q/q	-	2.50%	2.50%	Medium
6:50 PM	US	Fed Chair Powell Speaks	-	-	-	High
7:30 PM	US	Pending Home Sales m/m	-	0.50%	-5.50%	Medium
8:45 PM	US	Treasury Sec Yellen Speaks	-	-	-	Medium
Friday, September 27, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	-	2%	2.40%	Medium
6:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.20%	High
6:00 PM	US	Personal Spending m/m	-	0.30%	0.50%	Medium



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