

May 8, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	May	Buy	180-181	188	176	Intraday

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News and Developments

- Gold prices pared its earlier gains and edged lower towards the end of the session amid strong dollar. Hawkish comments from the Fed member Kashkari weighed on the bullions when he emphasized that the rates to stay higher until inflation dips to the 2% target. Meanwhile, prices found support from the ongoing geopolitical tension in the Middle East and lower US treasury yields. Further, continued gold accumulation by the PBOC for the 18th month in a row despite higher prices supported the bullions to stay above the \$1300 level.
- US dollar index bounced from its days low amid hawkish comments from the Fed member Kashkari. Further, weakness in the Yen was also supportive for the dollar. Meanwhile, lower US treasury yields restricted its upside.
- 10 year US treasury yields moved lower and hit 4.45% and the 2 year US treasury yields steadied near to 4.83%
- NYMEX crude oil prices managed to rebound from its 3-month low again amid escalating geopolitical risk between Israel-Hamas. Fading hopes of cease fire agreement between the two parties has supported the oil prices to limit its downside. Oil prices found some support after the U.S. Department of Energy announced to replenishment up to 3.3 million barrels of oil for of the country's Strategic Petroleum Reserve.
- Copper prices steadied near its 2-year high amid increasing supply concerns and growing demand from the renewable energy sector. Meanwhile, rebound in the dollar checked its upside.
- Natural gas futures held near 3-month highs after rallying almost 11% last week as lower in production and an increase in feed gas to LNG export facilities. US gas production has dropped by around 9% so far in 2024.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71148	-0.31%	2314.10	-0.42%
Silver	82878	-0.09%	27.24	-0.74%
Copper	865.0	1.13%	10029.50	1.21%
Aluminium	234.4	0.45%	2569.50	0.71%
Zinc	262.1	1.67%	2960.00	1.96%
Lead	194.2	1.38%	2243.50	1.29%
WTI Crude Oil	6585	0.66%	78.38	-0.13%
US Nat Gas	206.1	-1.39%	2.21	0.55%

Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th May)	83.57	-0.03%	2981308	289712	764465	306096
EURINR (29th May)	89.92	0.09%	19516	-569	5002	286
GBPINR (29th May)	104.77	-0.07%	12665	184	2816	310

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	June	Buy	71050-71100	71560	70780	Profit Booked

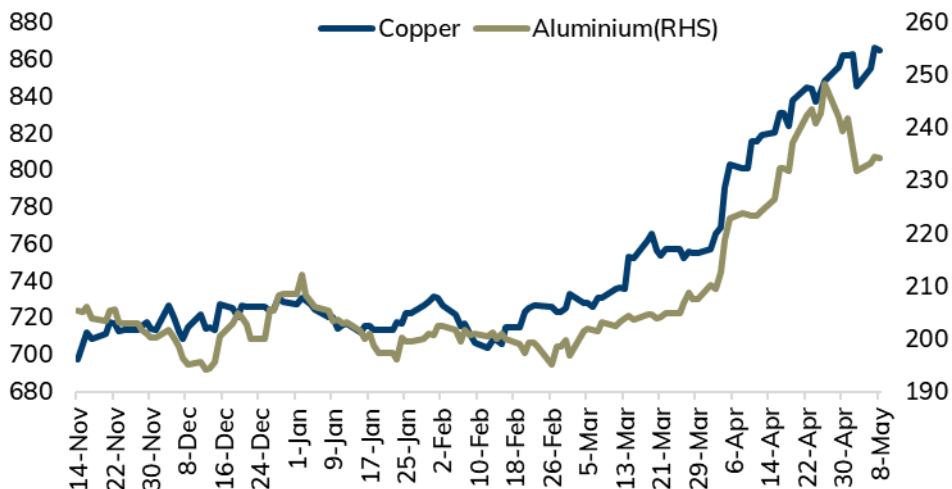
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold the psychological support at \$2300 and move higher towards \$2345 amid softening US treasury yields and rise in safe haven bids as the Gaza ceasefire remain uncertain. Further, mixed set of economic numbers from US would also prevent the Fed to hold the rates higher for longer and force the Federal Reserve to reduce the rates in September. Meanwhile, investors will eye on further clues to get more clarity on the timing of the first rate cut.
- MCX Gold June is expected to hold the support near 70800 (20 Day EMA) and move higher towards 71600. A move above 71600 would open the doors towards 72200.
- MCX Silver July is expected to find support near 82000 and move towards the initial hurdle at 83600. It has to move beyond 83600 to resume its rally towards 84500.

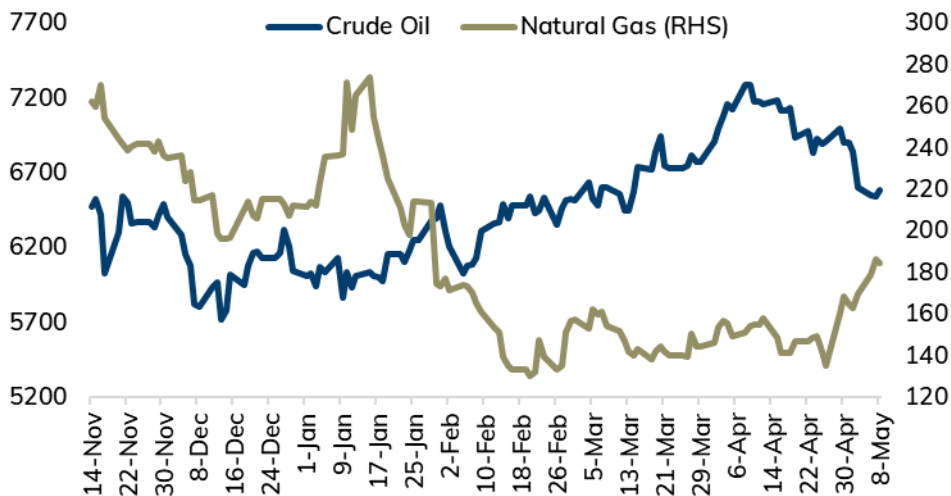
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are likely to trade with a positive bias amid expectation of recovery in global factory activity and potential supply tightness this year. Specially tightness of raw material supplies to the smelter is a challenge. Further, depleting LME inventory levels and strong demand growth from the renewable energy and power grid space would support the metal to trade higher. Moreover, growing bets of Fed rate cut in September would also provide support to the red metal.
- For the day MCX Copper May is likely to hold the support of 10 day EMA at 856 and move higher towards 870. Only a move below 856, it would correct towards the immediate support at 850.
- Aluminum May future is expected to move in the band of 232 and 237. Only above 237 it would rise towards 240. Similarly, a move below 232 would weaken it towards 229.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold the support near \$77 and move towards \$80 amid renewed tension in the Middle East. Again, growing speculation that OPEC+ will look to extend its current production cuts beyond 2nd quarter would also provide some support to oil prices. Meanwhile, rise in API crude oil inventory data last week could check its upside. Now, focus will shift towards the EIA weekly inventory report due today which could bring more clarity on the demand ahead of the summer driving season in US.
- MCX Crude oil May future is expected to find the floor near 6480 and move towards the initial hurdle at 6700. Only, move below 6480 it would turn bearish and slide towards 6300.
- MCX Natural Gas May future is expected to hold the support at 177 and move higher towards 190. Lower US production and expectation of improved demand would support the prices to stay elevated.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70687	70917	71158	71388	71629
Silver	82089	82484	82908	83303	83727
Copper	855.1	860.0	864.2	869.2	873.4
Aluminium	231.7	233.0	234.5	235.9	237.4
Zinc	256.2	259.2	261.5	264.4	266.7
Lead	191.8	193.0	193.7	194.9	195.6
Crude Oil	6438	6512	6561	6635	6684
Nat Gas	200	203	206	209	212

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.51	83.54	83.57	83.60	83.63
US\$INR (Jun)	83.59	83.63	83.65	83.68	83.71
EURINR (May)	89.69	89.81	89.88	90.00	90.07
EURINR (Jun)	89.72	89.77	89.80	89.85	89.89
GBPINR (May)	104.56	104.66	104.81	104.91	105.06
GBPINR (Jun)	104.48	104.55	104.68	104.75	104.87
JPYINR (May)	54.01	54.15	54.25	54.38	54.49
JPYINR (Jun)	54.95	54.97	55.03	55.05	55.11

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.03	105.30	-0.26%
US\$INR	83.43	83.47	-0.05%
EURUSD	1.0761	1.0725	0.34%
EURINR	89.63	89.35	0.31%
GBPUSD	1.2547	1.2534	0.10%
GBPINR	104.80	104.47	0.31%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.147	7.160	-0.013
US	4.508	4.581	-0.0734
Germany	2.495	2.541	-0.046
UK	4.222	4.286	-0.064
Japan	0.901	0.901	0

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
01-05-2024	8:00 PM	7.3M	-2.3M
25-04-2024	8:00 PM	-6.4M	1.6M
17-04-2024	8:00 PM	2.7M	1.6M
10-04-2024	8:00 PM	5.8M	0.9M
03-04-2024	8:00 PM	3.2M	-0.3M
27-03-2024	8:00 PM	3.2M	-0.7M
20-03-2024	8:00 PM	-2.0M.	-0.9M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	107350	-3950	-3.55%
Aluminium	486050	-1700	-0.35%
Zinc	253725	-250	-0.10%
Lead	258800	-7200	-2.71%
Nickel	79896	-24	-0.03%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, May 6, 2024						
7:15 AM	China	Caixin Services PMI	52.5	52.5	52.7	Medium
2:00 PM	Europe	Sentix Investor Confidence	-3.6	-4.8	-5.9	Medium
Tuesday, May 7, 2024						
11:30 AM	Europe	German Factory Orders m/m	-0.40%	0.40%	0.20%	Medium
11:30 AM	UK	Halifax HPI m/m	0.10%	0.20%	-1.00%	Medium
2:00 PM	UK	Construction PMI	53	50.4	50.2	Medium
2:30 PM	Europe	Retail Sales m/m	0.80%	0.60%	-0.50%	Medium
Wednesday, May 8, 2024						
11:30 AM	Europe	German Industrial Production m/m	-	-1.00%	2.10%	Medium
8:00 PM	US	Crude Oil Inventories	-	-	7.3M	Medium
Thursday, May 9, 2024						
Tentative	China	Trade Balance	-	510B	416B	Medium
4:30 PM	UK	Official Bank Rate	-	5.25%	5.25%	High
5:00 PM		BOE Gov Bailey Speaks	-	-	-	High
6:00 PM	US	Unemployment Claims	-	211K	208K	High
8:00 PM	US	Natural Gas Storage	-	-	59B	Medium
Friday, May 10, 2024						
11:30 AM	UK	GDP m/m	-	0.10%	0.10%	High
11:30 AM	UK	Prelim GDP q/q	-	0.40%	-0.30%	High
7:30 PM	US	Prelim UoM Consumer Sentiment	-	76.3	77.2	High
7:30 PM	US	Prelim UoM Inflation Expectations	-	-	3.20%	Medium



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