

May 15, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	May	Buy	883-884	892	878	Intraday

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## News and Developments

- Spot gold prices rebounded from its day's lows, amid pullback in the US dollar and treasury yields. Dovish comments from the Fed chair Jerome Powell diminished any chance of rate hike as he emphasized that the inflation to come down through 2024 as it did last year. Meanwhile, rise in US producers prices index more than expected in April checked its upside. Prices rose due to strong gains in cost of services and goods.
- US dollar index pared all its gains as dovish comments from the Fed Chair Jerome Powell overcome the stronger than expected US PPI data. US PPI rose by 0.5% last month against market expectation of 0.3% gain.
- US treasury yields settled lower yesterday. 10 year yield pared all its gains and closed near 4.45%.
- NYMEX crude oil prices slide towards the \$78 mark amid concerns over disagreement between OPEC+ members on extension of production cuts. Further, higher crude oil output from Russia also weighed on oil prices to stay below the \$80 mark. Meanwhile, softness in the dollar and conflict in the Middle East limited its downside.
- Copper prices extended its gains on Tuesday amid tight supplies and protest in Chile. Chilean truckers protest due to rise in crime has hurt the transportation and raised supply concerns. Meanwhile, recent hike in tariffs on Chinese EVs, chips and other goods by US has checked its upside.
- Natural gas futures pared its earlier gains amid forecast of cooling temperatures across most parts of the US, which would cut the cooling demand. Meanwhile, lower production and improved export numbers limited its downside.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72297	0.62%	2358.12	0.93%
Silver	85417	0.63%	28.62	1.48%
Copper	884.2	0.08%	10114.00	-0.70%
Aluminium	234.0	0.54%	2551.00	0.35%
Zinc	264.0	-0.45%	3003.50	0.20%
Lead	195.0	0.05%	2259.00	0.38%
WTI Crude Oil	6512	-1.24%	78.02	-1.39%
US Nat Gas	197.7	0.56%	2.34	-1.55%

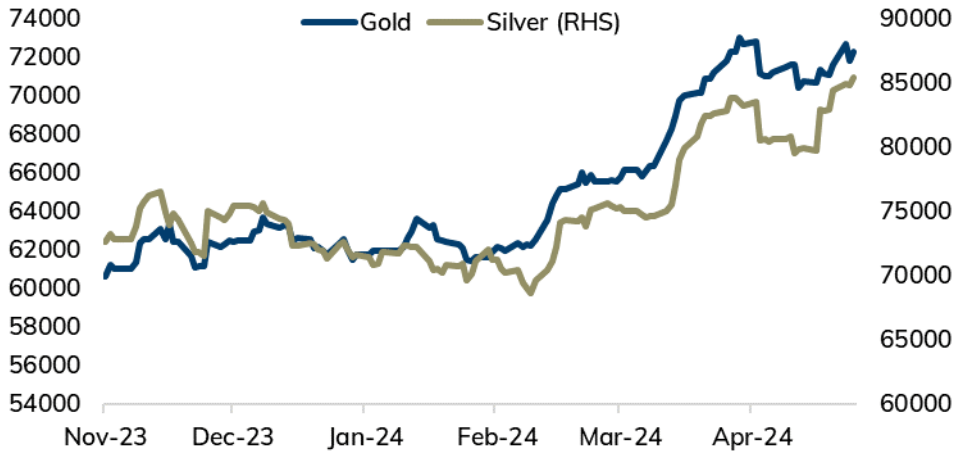
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th May)	83.56	0.00%	3080421	-13028	218150	-519260
EURINR (29th May)	90.11	0.00%	17280	340	2848	560
GBPINR (29th May)	104.80	0.20%	12560	240	4298	3278

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural gas	May	Buy	192-193	205	186	Target Achieved

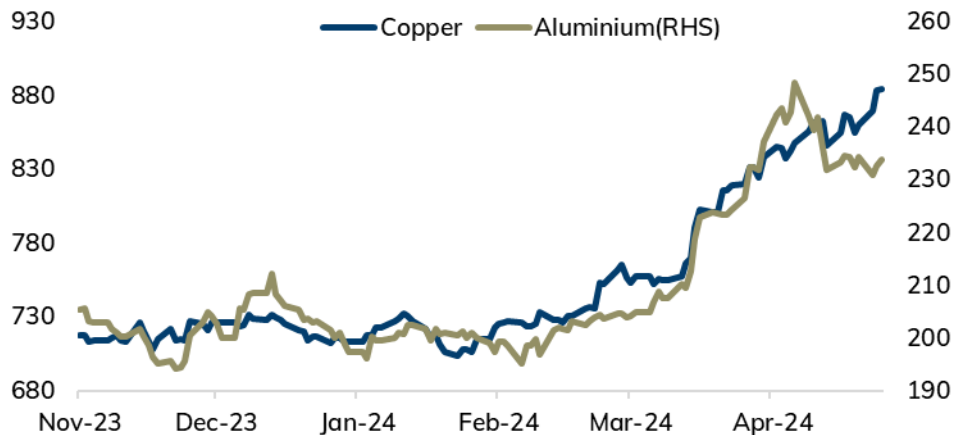
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected to face the hurdle near \$2375 and move lower towards \$2330 on expectation that elevated inflation in US could force the Federal Reserve to keep the rates higher for longer. Yesterday's PPI numbers has set the tone for rise in inflation numbers. Meanwhile, most investors will eye on today's key CPI data which is likely to rise by 0.4% last month. Sticky inflation numbers would restrict any upside in the bullions. Meanwhile, forecast of mixed US economic numbers and geopolitical risk premiums would provide support to the bullions.
- MCX Gold June is expected to consolidate in the broad range of 71800 and 72650. A move below 71800 would weaken the precious metal to slide towards 71300. 72650 would act as major resistance, only above 72650 it would rally towards 73000 mark
- MCX Silver July is expected to face the hurdle near 86,000 and move lower towards 84,400. A move below 84,400 would be more negative for prices.

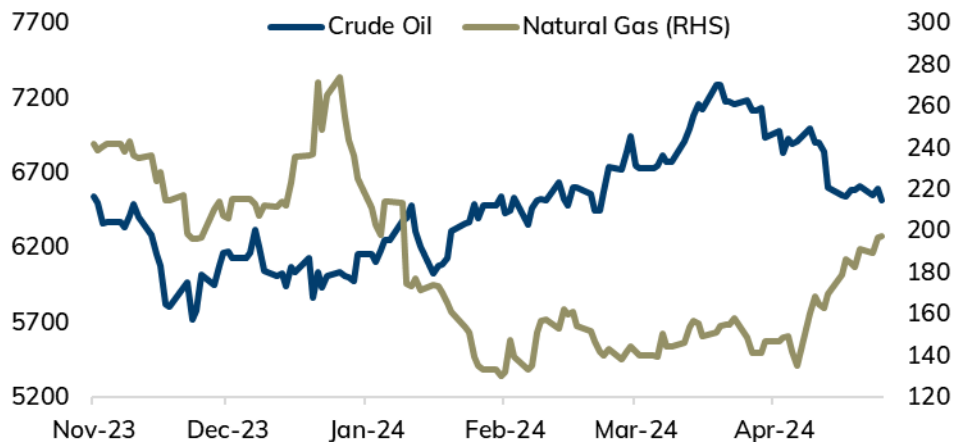
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to hold its gains amid supply concerns and hopes of fresh stimulus from China. Additionally, low availability of material hampered the global supplies, which could lead prices to stay higher. Meanwhile, focus will remain on key inflation numbers from US which could give further clarity on Fed's interest rate path.
- MCX Copper May is likely to hold the support near 878 and move towards 892. Only a move below 878 it would correct towards 872.
- Aluminum May future is expected to consolidate in the band of 230 and 236. Only a move below 230 it would turn weaker and slide towards 227.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to face the hurdle near \$80 and move lower towards the \$77 mark amid increase in supply from some OPEC members. Further, higher inflation number in US could dent the demand outlook. Meanwhile, recent decline in API crude oil inventory and ongoing tension in the Middle East would limit its downside. For the day focus will remain on US inflation numbers which might give further clarity on Fed's interest rate path. Moreover, investors will also eye on weekly oil inventories data.
- MCX Crude oil June future is expected to face the hurdle near 6600 and move lower towards 6450.
- Natural Gas prices are expected to consolidate in arrange amid forecast of mixed weather outlook in US. MCX Natural Gas is expected to move in the band of 192-200. Only move below 192, it would slip towards 186.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71651	71974	72155	72478	72659
Silver	84367	84892	85321	85846	86275
Copper	864.7	874.5	882.7	892.5	900.7
Aluminium	230.6	232.3	233.3	235.0	236.0
Zinc	261.4	262.7	264.3	265.6	267.3
Lead	193.7	194.4	194.9	195.6	196.1
Crude Oil	6421	6467	6546	6592	6671
Nat Gas	190	194	197	201	204

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.53	83.54	83.55	83.56	83.57
US\$INR (Jun)	83.60	83.62	83.64	83.66	83.68
EURINR (May)	89.90	90.00	90.13	90.23	90.35
EURINR (Jun)	90.07	90.08	90.09	90.10	90.11
GBPINR (May)	104.48	104.64	104.77	104.93	105.06
GBPINR (Jun)	104.57	104.70	104.77	104.91	104.98
JPYINR (May)	53.09	53.29	53.53	53.74	53.97
JPYINR (Jun)	54.06	54.15	54.29	54.38	54.52

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.01	105.22	-0.19%
US\$INR	83.51	83.53	-0.02%
EURUSD	1.0819	1.0790	0.27%
EURINR	90.12	90.06	0.07%
GBPUSD	1.2592	1.2559	0.26%
GBPINR	104.75	104.65	0.10%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.107	7.116	-0.001264755
US	4.439	4.487	-0.010498161
Germany	2.548	2.510	0.015139442
UK	4.173	4.174	-0.000239578
Japan	0.953	0.937	0.017075774

## 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	104750	1650	1.60%
Aluminium	1033625	131075	14.52%
Zinc	250950	-450	-0.18%
Lead	226925	-3150	-1.37%
Nickel	80814	348	0.43%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, May 13, 2024						
5:30 PM	India	CPI y/y	4.83%	4.80%	4.85%	High
All Day	Europe	Eurogroup Meetings	-	-	-	Medium
Tuesday, May 14, 2024						
11:30 AM	UK	Claimant Count Change	8.9K	13.9K	10.9K	High
11:30 AM	UK	Average Earnings Index 3m/y	5.70%	5.30%	5.60%	Medium
11:30 AM	UK	Unemployment Rate	4.30%	4.30%	4.20%	Medium
6:00 PM	US	PPI m/m	0.50%	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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