

May 7, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	June	Buy	71050-71100	71560	70780	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

- Spot gold prices gained almost 1% on Monday amid softer dollar and decline in US treasury yields. Friday's weaker than expected US jobs report fueled expectation of potential rate cuts later this year. Further, safe haven buying due to the ongoing tension in the Middle East also supported the bullions to trade higher. Silver gained more than 2% following the rally in the yellow metal.
- US dollar index had moved earlier towards 105 mark amid disappointing US job numbers. But it recovered following hawkish comments from the Fed members. New York Fed president Williams and Richmond Fed president Barkin emphasized that the Fed will go for rate cuts only after inflation start moving lower towards the 2% target.
- 10 year US treasury yields moved lower and hit 4.48% and the 2 year US treasury yields steadied near 4.83%
- NYMEX crude oil prices rose from its 3-month low amid rising geopolitical risk premiums between Israel-Hamas. Fading hopes of cease fire agreement between the two parties has supported the oil prices to trade higher. Further, rise in official selling price by Saudi Arabia for Asia and Europe markets provided floor to oil price.
- Copper prices approached its 2-year highs amid softer dollar and increasing supply concerns. Further improved risk on sentiments amid rate cut hopes in this year supported the base metals to trade higher.
- Natural gas futures extended its rally and jumped more than 3% fueled by rising demand forecasts after the reopening of Freeport LNG in Texas. Further drop in US gas production by around 9% so far in 2024 also pushed the price to hit its four month high.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71369	0.99%	2325.00	1.04%
Silver	82955	2.36%	27.42	3.30%
Copper	866.7	1.33%	9910.00	1.48%
Aluminium	234.6	0.54%	2551.50	0.93%
Zinc	259.1	0.50%	2903.00	0.59%
Lead	192.3	0.39%	2215.00	1.61%
WTI Crude Oil	6542	-0.06%	78.69	0.90%
US Nat Gas	186.3	4.00%	2.20	1.62%

## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th May)	83.60	0.09%	2691596	16309	458369	-199873
EURINR (29th May)	89.84	0.30%	20085	170	4716	-1299
GBPINR (29th May)	104.84	0.23%	12481	102	2506	-1351

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	May	Buy	173-174	184	170	Not initiated

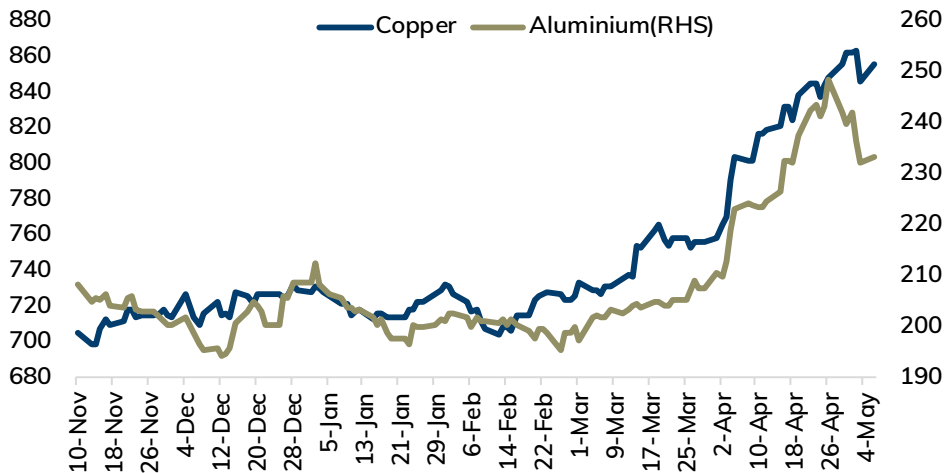
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected to trade with a positive bias amid fresh hopes of interest rate cut and geopolitical risk. Israel's rejection of the Hamas ceasefire proposal despite Hama's agreement to the proposal of the mediators would support the safe haven demand of the bullions. Meanwhile, increasing bets that the Federal Reserve will reduce the rates in September after last weeks softer US jobs report would support the bullions to move higher.
- MCX Gold June is expected to hold the support near 70850 and extend its rally towards 71780. A move above 71780 would open the doors towards 72400.
- MCX Silver July is expected to hold its gains and move towards the initial hurdle at 83600. It has to move beyond 83600 to resume its rally towards 84500. On the lower side 82000 hold as key support to the trend.

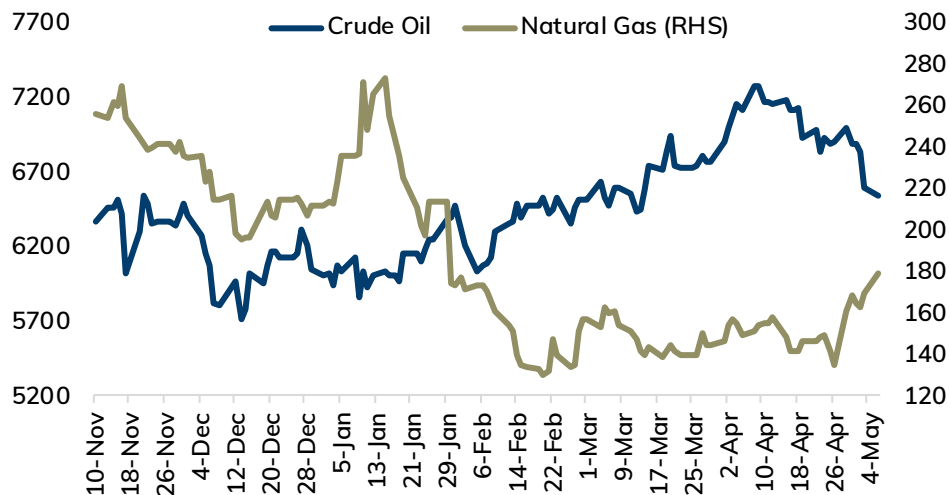
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to hold its gains and trade with a positive bias on expectation of potential supply deficit this year. Tightness in the copper market has been weighing on margins at Chinese smelters. Strong demand growth from the renewable energy and power grid space would support the metal to trade higher. Moreover, improved risk sentiments and optimism from the Chinese property sector would boost the prices to stay elevated.
- For the day MCX Copper May is likely to hold the support of 5 day EMA at 860 and move higher towards 874. Only a move below 860, it would correct towards the immediate support at 848.
- Aluminum May future is expected to find the floor near 230 and rebound towards 237. Only close below 230 it would turn weaker.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected hold the support near \$78 and move towards \$81 amid ongoing tension in the Middle East. Rejection of the ceasefire proposal by Israel sparked the fear of supply risk and support the energy prices to regain its strength. Furthermore, softness in the dollar amid growing bets of rate cut by the Fed in this year would support the oil to rise towards the \$81 mark.
- MCX Crude oil May future is expected to find the floor near 6500 and move towards the initial hurdle at 6700. Only, move below 6500 it would turn bearish.
- MCX Natural Gas May future is expected to hold the support at 178 and move higher towards 190. An increase in demand from the US electricity providers on forecast of hot weather forecast in Texas and lower US production would support the gas prices to hold its gains.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70579	70979	71250	71650	71921
Silver	81137	82069	82534	83466	83931
Copper	854.1	860.3	864.6	870.7	875.0
Aluminium	224.3	229.3	233.3	238.3	242.3
Zinc	254.4	256.8	258.4	260.8	262.3
Lead	190.8	191.6	192.3	193.0	193.7
Crude Oil	6464	6500	6557	6593	6650
Nat Gas	174	180	184	190	195

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	83.42	83.51	83.57	83.65	83.71
US\$INR (Jun)	83.54	83.61	83.66	83.73	83.78
EURINR (May)	89.39	89.61	89.76	89.98	90.13
EURINR (Jun)	89.66	89.74	89.78	89.87	89.91
GBPINR (May)	104.45	104.64	104.76	104.95	105.07
GBPINR (Jun)	104.61	104.71	104.75	104.85	104.89
JPYINR (May)	54.00	54.17	54.27	54.44	54.54
JPYINR (Jun)	55.05	55.08	55.10	55.13	55.15

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.08	15.07	0.01%
US\$INR	83.43	83.35	0.09%
EURUSD	1.0767	1.0758	0.09%
EURINR	90.00	89.74	0.29%
GBPUSD	1.2562	1.2545	0.13%
GBPINR	104.94	104.57	0.36%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.108	7.149	-0.04
US	4.480	4.510	-0.023
Germany	2.465	2.494	-0.029
UK	4.222	4.286	-0.064
Japan	0.901	0.901	0

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
3/20/2024	8:00 PM	-2.0M.	-0.9M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	111300	-3975	-3.45%
Aluminium	487750	-1500	-0.31%
Zinc	253975	-900	-0.35%
Lead	266000	-2725	-1.01%
Nickel	79920	1140	1.45%

# 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%	0.20%	Medium
11:30 AM	UK	Halifax HPI m/m	-	0.20%	-1.00%	Medium
2:00 PM	UK	Construction PMI	-	50.4	50.2	Medium
2:30 PM	Europe	Retail Sales m/m	-	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



---

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

---

# Disclaimer



I/We, Jay Thakkar MBA (Finance), Raj Deepak Singh BE, MBA (Finance), Saif Mukadam BSc, MMS (Finance), Anup Sahu BSc, MBA (Finance) Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

## Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com).

## Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

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

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit [icicidirect.com](http://icicidirect.com) to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.



# Disclaimer



Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.