

June 24, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural gas	July	Sell	240-241	230	246	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

- Gold prices pared all its gains and lost more than 1% on Friday after the dollar strengthened on US business activity report. US service PMI number hit 26 month high in June. Further, manufacturing PMI data indicated growth in the economy. Better than expected business activity pushed the dollar higher and gave a reason for higher interest rate in US.
- Silver prices hit the most and lost more than 2% on Friday amid strong dollar and recovery in US treasury yields.
- Dollar index traded higher lifted by better than expected US economic numbers. Further, diverging central bank policy also supported the dollar to rise against most of its peers.
- US 10-year treasury yields recovered from its day's lows and settled near 4.27.
- NYMEX Crude oil retreated from its 7-week high on Friday amid strong dollar and weaker than expected manufacturing number from Europe. Meanwhile, improved demand of gasoline during the Summer holiday season in US limited its downside
- Copper prices slide more than 1.5% on Friday amid weak demand and higher inventory levels in LME and SHFE. Further, weakness in yuan also weighed on the metal prices. Prices remained under pressure after the recent report from ICSG indicated a surplus of around 300,000 MT for the first four months of the year.
- Natural Gas prices lost more than 1% amid rise in output and higher inventory in US. The U.S. Energy Information Administration reported utilities added 71 billion cubic feet (bcf) of gas into storage during the week ended June 14.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71584	-1.38%	2321.98	-1.61%
Silver	89139	-2.76%	29.55	-3.87%
Copper	849.9	-2.04%	9682.50	-1.78%
Aluminium	230.1	-0.97%	2513.50	-0.32%
Zinc	257.5	-0.66%	2844.00	-1.03%
Lead	188.7	-0.53%	2191.00	-1.15%
WTI Crude Oil	6746	-0.78%	80.73	-1.75%
US Nat Gas	237.7	-0.59%	2.71	-1.31%

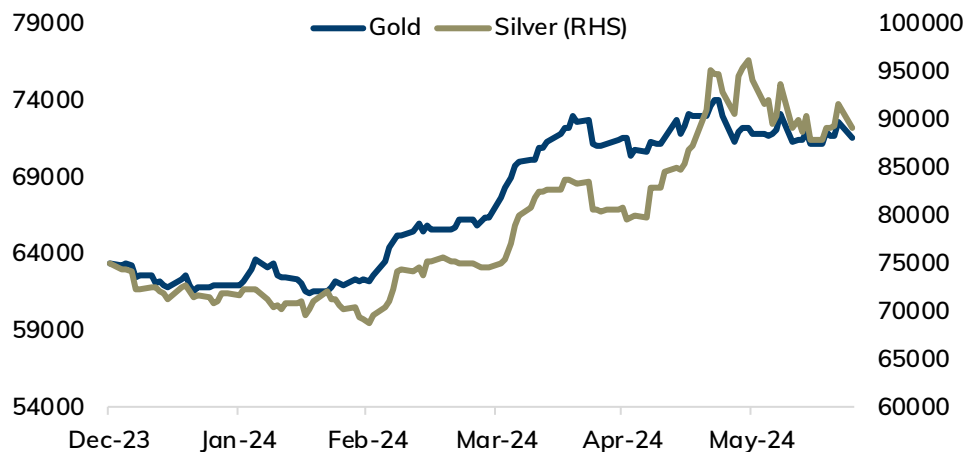
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.57	-0.08%	2549740	-72605	203789	-252929
EURINR (26th June)	89.38	-0.31%	13300	-99	1330	-3077
GBPINR (26th June)	105.70	-0.41%	6788	-9158	12545	10729

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	July	Buy	72020-72050	72600	71750	Stop Loss Triggered

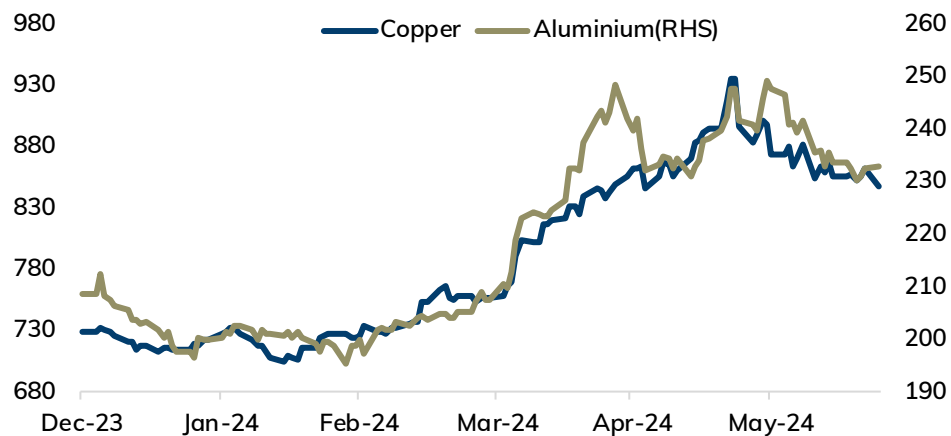
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to face the hurdle near \$2340 and move towards \$2300 level amid strong dollar and hawkish comments from the Fed members. The Fed officials pushed out the timing of the first interest rate cut this year citing higher inflation numbers and better than expected economic numbers. The rate cut probability in September has dipped to 66% against 68% last week. Meanwhile, safe haven bids on the back of geopolitical and economic uncertainties might help the precious metal to trim its losses.
- MCX Gold Aug has formed a bearish engulfing pattern on the daily charts, indicating weakness in the trend. Further, formation of bearish pattern is likely to weaken the price towards 71,200. On the upside 72,200 would act as key hurdle for price.
- MCX Silver July is expected to move lower towards 88,200, as long as it trades under 90,200.

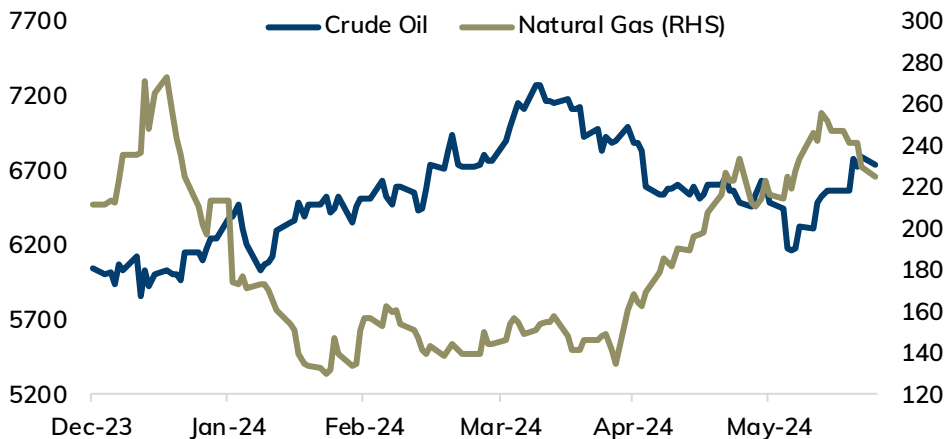
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to remain under pressure amid demand concerns from China and build-up of inventory levels in SHFE and LME. Further, stronger dollar on fading hopes of early rate cut by the US Federal Reserve would also check any major upside in the metal. On the other hand any new measures from China to support the struggling property sector would provide some support to the metal. Meanwhile, focus will remain on the key comments from the Fed officials and latest economic numbers to get more clarity in its direction.
- MCX Copper July is expected to face the hurdle near 10 day EMA at 859 and move lower towards its recent bottom at 844. Only a move below 844, it would open the downside in the metal towards 836.
- Aluminum is expected to move in the band of 229-233. Only close below 229, it would weaken towards 227 mark.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade lower amid strong dollar after concerns for higher-for-longer interest rate outlook in the near term. Meanwhile, on-going geopolitical concerns and higher demand of gasoline and refinery runs in US would help the oil prices to limit its downside. Meanwhile, higher OI concentration at OTM call strikes indicates price may face stiff resistance. NYMEX crude is expected to dip towards the \$79 mark, as long as it remains under the \$82 mark.
- MCX Crude oil July is likely to move lower towards the 10 day EMA support near 6650, as long as it trades below 6850.
- MCX Natural gas July is expected to weaken further towards 230, as long as it trades under the 246 mark. Increasing production and higher inventories is likely to counter the demand from the electricity providers.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70670	71127	71997	72454	73324
Silver	87362	88251	89965	90854	92568
Copper	838.2	844.1	854.9	860.8	871.6
Aluminium	227.8	229.0	230.8	232.0	233.8
Zinc	253.2	255.3	257.5	259.7	261.9
Lead	187.3	188.0	189.0	189.6	190.6
Crude Oil	6664	6705	6772	6813	6880
Nat Gas	230	234	238	242	246

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	83.42	83.50	83.57	83.64	83.71
US\$INR (July)	83.51	83.59	83.66	83.74	83.80
EURINR (June)	88.99	89.19	89.39	89.58	89.79
EURINR (July)	89.42	89.55	89.69	89.82	89.96
GBPINR (June)	105.28	105.49	105.76	105.97	106.25
GBPINR (July)	105.54	105.66	105.90	106.03	106.27
JPYINR (June)	52.37	52.53	52.67	52.83	52.97
JPYINR (July)	52.63	52.78	53.07	53.22	53.51

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.80	105.59	0.20%
US\$INR	83.54	83.65	-0.13%
EURUSD	1.0693	1.0702	-0.08%
EURINR	89.38	89.72	-0.38%
GBPUSD	1.2645	1.2657	-0.09%
GBPINR	105.70	106.29	-0.55%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.973	6.978	0.00
US	4.255	4.259	0.00
Germany	2.412	2.431	-0.01
UK	4.083	4.057	0.01
Japan	0.975	0.957	0.02

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
6/20/2024	8:30 PM	-2.5M	-2.8M
6/12/2024	8:00 PM	3.7M	-1.2M
6/5/2024	8:00 PM	1.2M	-2.1M
5/30/2024	8:30 PM	-4.2M	-1.6M
5/22/2024	8:00 PM	1.8M	-2.4M
5/15/2024	8:00 PM	-2.5M	-0.4M
5/8/2024	8:00 PM	-1.4M	-1.0M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	165175	3250	2.01%
Aluminium	1055425	-5575	-0.53%
Zinc	242525	-1850	-0.76%
Lead	225275	-1300	-0.57%
Nickel	90450	54	0.06%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 24, 2024						
1:30 PM	Europe	German ifo Business Climate	-	89.4	89.3	Medium
3:30 PM	UK	CBI Industrial Order Expectations	-	-26	-33	Medium
Tuesday, June 25, 2024						
6:30 PM	US	S&P/CS Composite-20 HPI y/y	-	7%	7.40%	Medium
7:30 PM	US	CB Consumer Confidence	-	100.2	102	High
7:30 PM	US	Richmond Manufacturing Index	-	2	0	Medium
Wednesday, June 26, 2024						
11:30 AM	Europe	German GfK Consumer Climate	-	-19.9	-20.9	Medium
7:30 PM	US	New Home Sales	-	650K	634K	Medium
8:00 PM	US	Crude Oil Inventories	-	-	-2.5M	Medium
Thursday, June 27, 2024						
6:00 PM	US	Final GDP q/q	-	1.40%	1.30%	High
6:00 PM	US	Unemployment Claims	-	240K	238K	High
6:00 PM	US	Durable Goods Orders m/m	-	-0.10%	0.60%	High
6:00 PM	US	Goods Trade Balance	-	-96B	-99.4B	Medium
7:30 PM	US	Pending Home Sales m/m	-	-	-7.70%	Medium
8:00 PM	US	Natural Gas Storage	-	-	71B	Medium
Friday, June 28, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	-	2%	1.90%	Medium
11:30 AM	UK	Current Account	-	-17.7B	-21.2B	Medium
6:00 PM	US	Core PCE Price Index m/m	-	0.10%	0.20%	High
7:15 PM	US	Chicago PMI	-	40	35.4	Medium
7:30 PM	US	Revised UoM Consumer Sentiment	-	65.9	65.6	High



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

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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