

July 1, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	July	Buy	6740-6750	6900	6650	Intraday

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## News and Developments

- Gold prices edged higher on Friday as the dollar eased amid moderation in US inflation numbers. US PCE index, Fed's preferred inflation measure fell to 2.6% YoY in May from 2.7% YoY in April. The slowing pace of inflation has strengthened the bets of early rate cuts by the Fed.
- Spot silver prices also gained almost 0.50% amid retreat in the dollar.
- Dollar index traded lower after the US personal consumption expenditures (PCE) price index, the Fed's preferred inflation measure indicated disinflationary trend as shown by CPI and PPI numbers last month. After the data the probability of September rate cut has moved up around 67% from 65%. Meanwhile, improved consumer sentiments numbers helped the dollar to limit its losses.
- US 10-year treasury yields edged higher to 4.40 and the 2-year treasury yields steadied near 4.75
- NYMEX Crude oil prices pared all its gains and lost almost 0.50% on concerns about global energy demand. Further, surge in German unemployment rate to 3-year high has overshadowed the geopolitical concerns. Meanwhile, softness in the dollar and improved risk sentiments limited the downside in price.
- Copper prices rebounded from its 2-month lows amid increasing bets of rate cut in this year after US inflation numbers moved in line with expectation. Meanwhile, rise in LME inventories and sluggish growth in the property sector in China checked the upside in the red metal.
- Natural Gas prices lost more than 2% amid rise in US gas production and above normal storage levels in US.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71582	0.01%	2326.75	-0.04%
Silver	87167	0.14%	29.14	0.59%
Copper	840.5	0.75%	9599.00	0.88%
Aluminium	230.4	1.07%	2524.50	1.28%
Zinc	265.4	0.17%	2937.50	0.27%
Lead	189.6	0.77%	2224.00	1.99%
WTI Crude Oil	6805	0.01%	81.54	-0.24%
US Nat Gas	217.8	-3.97%	2.60	-3.13%

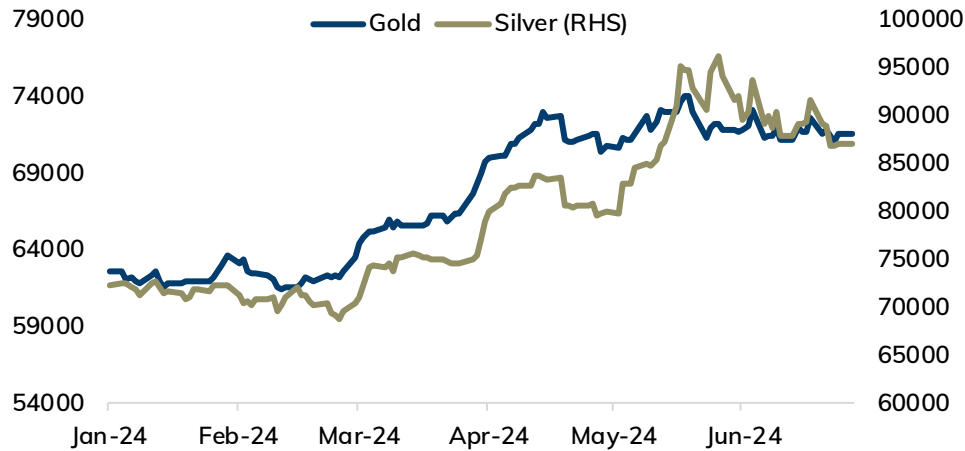
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th July)	83.45	-0.11%	2444735	4166	129099	6258
EURINR (29th July)	89.44	0.01%	11392	17	1124	-1825
GBPINR (29th July)	105.55	-0.04%	5957	-508	1703	-1487

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	July	Buy	6780-6790	6950	6700	Profit Booked

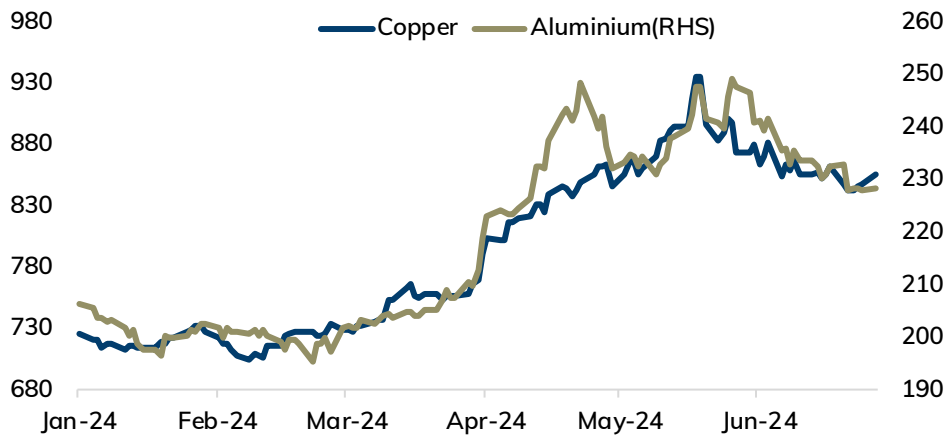
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected to hold its ground near \$2290 and rise towards \$2345 on growing bets that the Federal reserve will start reducing interest rates this year. Moderation in US consumer spending last month could push the Fed to lower its rates. Further, continuous rise in net long positions in COMEX indicates bulls are still in control. Additionally, softness in the US dollar and safe haven buying could also support the bullions to trade higher.
- MCX Gold Aug is expected to hold the key support near 71,200 and move back towards 72,000. Formation of bullish engulfing pattern on the daily charts would help the metal to regain its strength. Only close below 70,800, it would weaken towards 70,200.
- MCX Silver September is expected to hold the support near 50 day EMA 89,000 and rise towards 90,500. Only move below, 89,000 it will slide towards 88,200.

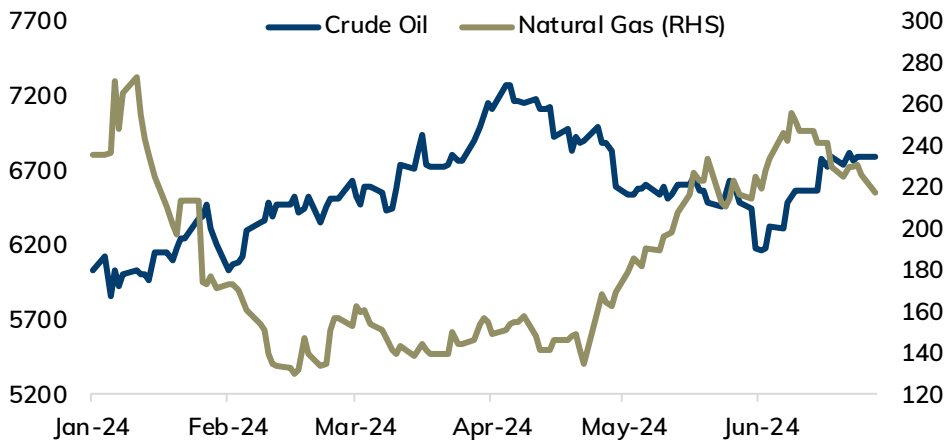
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to remain under pressure amid demand concerns from the top metal consumer China. Contraction in the manufacturing activity in the region for 2<sup>nd</sup> month in a row would weigh on the metal prices. Further, surge in inventory levels and low local premiums in China contradicts the copper market tightness. Additionally, increasing supply from Chile this year would bring relief to the supply tightness. This year production from Chile has gone up by 8%. Meanwhile, any sign of stimulus from China could limit the downside in the metal.
- MCX Copper July is expected to face the hurdle near 10 day EMA at 849 and move lower towards 834. Bearish crossover of 10 and 20 day EMA along with weakness in the RSI would weaken the metal.
- Aluminum is expected to trade weak and move towards 228, as long as it remains under 233 mark.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to hold the support near the \$80.50 mark and move towards the \$83.50 mark amid rise in US demand and supply concerns. Further, drop in US oil rig counts to two and half year lows ahead of the Atlantic hurricane season would hurt the oil output from US and support the prices to stay higher. Additionally, persistence geopolitical tension in the Middle East and softness in the dollar would also support the oil prices to trade higher. Meanwhile, sluggish growth in China would limit its upside.
- MCX Crude oil July is likely to hold the 20 day EMA support near 6780, and move higher towards 6900. Above 6900, it would rise towards 7000. Bullish cross over of 10 and 20 day EMA along with strength in the oscillator (RSI at 61) would support the oil prices to extend its rally.
- MCX Natural gas July is likely to dip towards 210, as long as it trades under the 10 day EMA at 230.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71163	71373	71611	71821	72059
Silver	86156	86661	87568	88073	88980
Copper	831.6	836.1	841.1	845.6	850.6
Aluminium	227.2	228.8	230.3	231.9	233.5
Zinc	262.1	263.7	266.3	267.9	270.5
Lead	187.9	188.8	189.3	190.2	190.7
Crude Oil	6681	6743	6821	6883	6961
Nat Gas	208	213	222	227	235

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (July)	83.35	83.40	83.48	83.53	83.61
US\$INR (Aug)	83.43	83.49	83.57	83.63	83.72
EURINR (July)	89.37	89.41	89.45	89.49	89.54
EURINR (Aug)	89.43	89.57	89.65	89.79	89.86
GBPINR (July)	105.39	105.47	105.53	105.61	105.67
GBPINR (Aug)	105.51	105.53	105.57	105.59	105.63
JPYINR (July)	52.05	52.29	52.43	52.67	52.81
JPYINR (Aug)	52.51	52.49	52.63	52.61	52.75

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.87	105.91	-0.04%
US\$INR	83.39	83.46	-0.09%
EURUSD	1.0713	1.0704	0.08%
EURINR	89.30	89.28	0.02%
GBPUSD	1.2645	1.2639	0.05%
GBPINR	105.48	105.56	-0.07%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.009	6.999	0.00
US	4.396	4.286	0.03
Germany	2.500	2.448	0.02
UK	4.172	4.130	0.01
Japan	1.057	1.076	-0.02

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
6/26/2024	8:00 PM	3.6M	-2.6M
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

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	180125	2375	1.34%
Aluminium	1026925	-5950	-0.58%
Zinc	262075	22475	9.38%
Lead	224375	875	0.39%
Nickel	95034	1170	1.25%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, July 01, 2024						
7:15 AM	China	Caixin Manufacturing PMI	51.8	51.5	51.7	Medium
All Day	Europe	German Prelim CPI m/m	-	0.20%	0.10%	High
7:30 PM	US	ISM Manufacturing PMI	-	49.2	48.7	High
Tuesday, July 02, 2024						
2:30 PM	Europe	CPI Flash Estimate y/y	-	2.50%	2.60%	High
7:00 PM	US	Fed Chair Powell Speaks	-	-	-	High
7:30 PM	US	JOLTS Job Openings	-	7.86M	8.06M	High
Wednesday, July 03, 2024						
7:15 AM	China	Caixin Services PMI	-	53.4	54	Medium
5:45 PM	US	ADP Non-Farm Employment Change	-	156K	152K	High
6:00 PM	US	Unemployment Claims	-	235K	233K	High
7:30 PM	US	ISM Services PMI	-	52.5	53.8	High
8:00 PM	US	Crude Oil Inventories	-	-	3.6M	Medium
11:30 PM	US	FOMC Meeting Minutes	-	-	-	High
Thursday, July 04, 2024						
11:30 AM	Europe	German Factory Orders m/m	-	0.50%	-0.20%	Medium
All Day	UK	Parliamentary Elections	-	-	-	High
2:00 PM	UK	Construction PMI	-	54	54.7	Medium
Friday, July 05, 2024						
11:30 AM	Europe	German Industrial Production m/m	-	0.20%	-0.10%	Medium
6:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.40%	High
6:00 PM	US	Non-Farm Employment Change	-	189K	272K	High
6:00 PM	US	Unemployment Rate	-	4%	4%	High



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