

August 27, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	October	Buy	71750-71800	72250	71500	Intraday

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News and Developments

- Gold prices continued to trade higher on Monday, amid confirmation of US interest rate cut by Fed Chair Jerome Powell. Further, safe haven buying due to escalating tension in the Middle East and eastern Europe also supported the precious metal to trade higher.
- Dollar index rebounded from its 13-month lows as geopolitical tension in the Middle East deepened, provoking investors to seek out safe haven. Meanwhile, drop in US core durable good orders in July checked its upside. Further, dovish comments from Richmond Fed President Barkin also weighed on the dollar.
- US 10-year US treasury yields traded near 3.81% and 2-year yields settled at 3.92% amid increasing bets of lower rates in the coming quarter.
- NYMEX crude oil prices extended its gains for 3rd day in a row amid escalating geopolitical tension in the Middle East. Fear of supply disruption from the major suppliers has pushed prices beyond \$77. Further, gains in oil prices accelerated after Libya's eastern Government called for a halt to crude oil production and export amid political conflict.
- Copper prices edged higher on Monday amid signs of improved demand from China. However, gains were capped after the July US core capital goods order reported an unexpected decline raising demand concerns for industrial demand.
- NYMEX natural gas prices extended its weakness on Monday amid rise in inventory levels in US. Further, forecast of cooler weather in US also lowered the heating demand.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72067	0.40%	2518.03	0.22%
Silver	85584	0.44%	29.90	0.29%
Copper	801.5	0.29%	9288.50	1.73%
Aluminium	229.3	-0.22%	2542.00	2.50%
Zinc	269.0	0.65%	2912.00	1.89%
Lead	184.3	-2.74%	2117.00	3.12%
WTI Crude Oil	6486	3.07%	77.42	3.46%
US Nat Gas	164.7	-2.49%	1.96	-3.26%

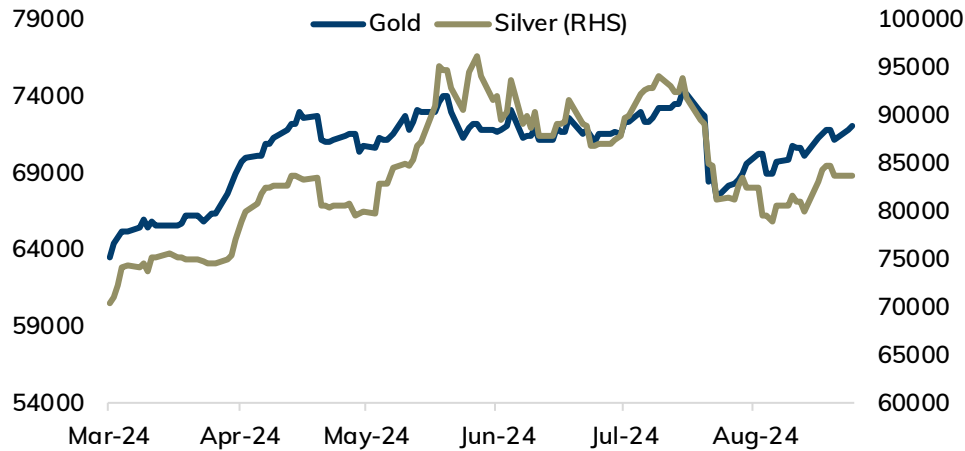
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th August)	83.91	-0.01%	2384151	-384576	588352	280437
EURINR (28th August)	93.73	0.44%	20192	-1676	2460	-1498
GBPINR (28th August)	110.71	0.53%	23874	-1012	5208	1963

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	Sepetembe	Buy	6280-6290	6450	6200	Not initiated

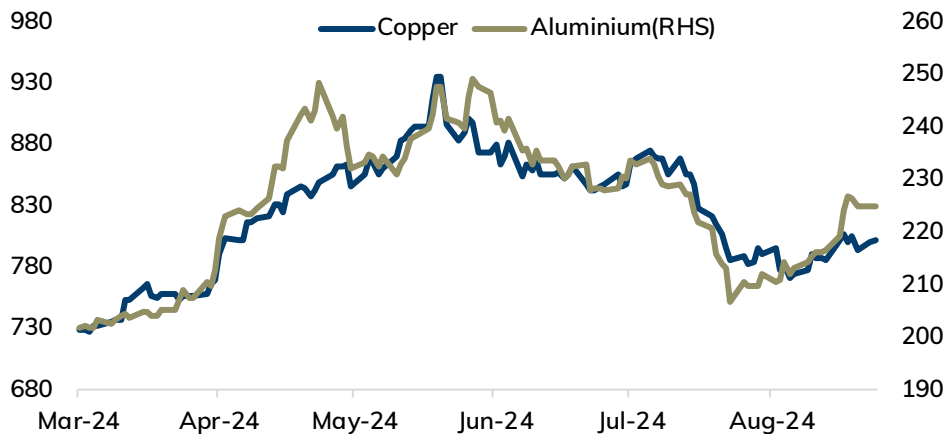
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold above \$2500 and move towards \$2535 amid increasing safe haven bids and loose monetary policy from major central banks. Further, dovish comments from the Fed officials and expectation of weaker economic numbers from US would support the bullions. Moreover, increasing inflows into the gold ETFs and rising net longs in the futures would strengthen the yellow metal to trade higher.
- MCX Gold Oct is expected to hold the support near 71,700 and rise towards 72,300. Only above 72,300 it would open the doors towards 72,800.
- Spot silver is expected to rise towards \$30.00, as long as it holds above \$29.00. Only close above \$30.00 it would open the doors towards \$30.80. MCX Silver September is expected to hold the support near 84,200 and rise back towards 86,000. A move above 86,000 it would rise towards 87,400.

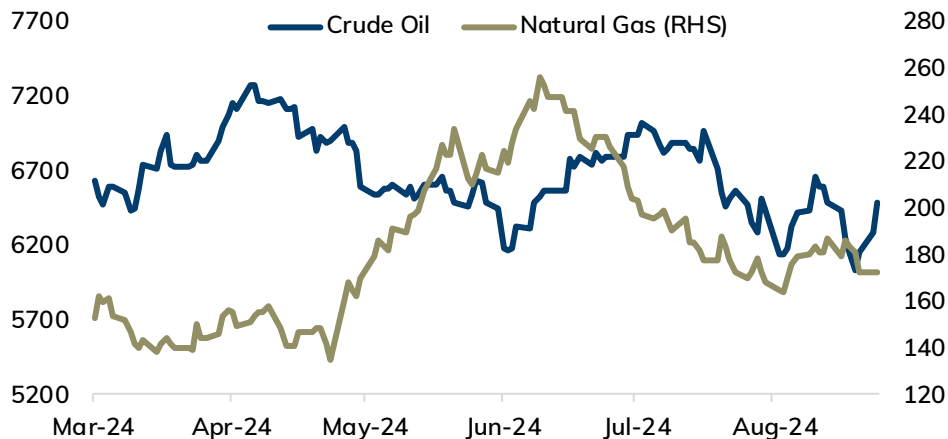
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to hold its gains and trade higher amid improved risk sentiments. Further, drop in SHFE stocks indicates improvement in local demand in China which would also support the metal prices to trade higher. Meanwhile, rising inventory levels at LME and forecast for weaker economic numbers from US would cap sharp upside in the metals.
- MCX Copper September is expected to hold the support of 10 DEMA at 808 and extend its rise towards 816. A move above 816 would open the doors towards 821.
- MCX Aluminium is expected to hold its gains and rise towards 235, as long as it trade above 230.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold the support near \$75 and extend its rebound towards \$78 mark amid fears of broadening Middle East conflicts. Fear of supply disruption and improved risk appetite amid loose monetary policy from major central banks would support the oil prices to hold firm. Further, expectation of drawdown in crude oil inventories would also help the prices to stay higher. NYMEX Crude oil is likely to rise towards \$78, as long as it holds above \$75. Increasing OI at 75 put strike indicates strong base. On the upside, higher OI concentration observed at 80 strike call would act as major resistance.
- MCX Crude oil Sep is likely to rise towards 6580, as long as it holds above the 20 day EMA at 6380. Reversal in the RSI indicates change in momentum.
- MCX Natural gas September is likely to move lower towards 176, as long as it remains under 188 mark. Rising gas inventories and lower cooling demand would weigh on the gas prices.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71528	71798	72024	72294	72520
Silver	84217	84901	85535	86219	86853
Copper	790.1	795.8	798.8	804.5	807.6
Aluminium	225.9	227.6	230.6	232.3	235.2
Zinc	265.1	267.0	268.5	270.4	271.9
Lead	179.1	181.7	186.0	188.6	192.9
Crude Oil	6243	6365	6440	6562	6637
Nat Gas	159	162	166	169	173

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	83.77	83.84	83.88	83.94	83.98
US\$INR (Sep)	83.85	83.91	83.95	84.01	84.04
EURINR (Aug)	93.46	93.59	93.74	93.87	94.02
EURINR (Sep)	93.49	93.60	93.70	93.81	93.91
GBPINR (Aug)	110.51	110.61	110.75	110.85	110.99
GBPINR (Sep)	110.43	110.51	110.58	110.66	110.73
JPYINR (Aug)	57.82	57.92	58.11	58.21	58.40
JPYINR (Sep)	57.79	57.88	58.04	58.13	58.29

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.85	100.72	0.13%
US\$INR	83.90	83.90	0.00%
EURUSD	1.1161	1.1192	-0.28%
EURINR	93.75	93.28	0.50%
GBPUSD	1.3188	1.3214	-0.20%
GBPINR	110.65	110.15	0.46%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.851	6.859	0.00
US	3.816	3.799	0.00
Germany	2.248	2.225	0.01
UK	3.912	3.960	-0.01
Japan	0.891	0.900	-0.01

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
8/21/2024	8:00 PM	-4.6M	-2.0M
8/14/2024	8:00 PM	1.4M	-1.9M
8/7/2024	8:00 PM	-3.7M	-1.6M
7/31/2024	8:00 PM	-3.4M	-1.6M
7/24/2024	8:00 PM	-3.7M	-2.6M
7/17/2024	8:00 PM	-4.9M	-0.9M
7/10/2024	8:00 PM	-3.4M	0.7M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	315575	-4125	-1.29%
Aluminium	870950	-3500	-0.40%
Zinc	256050	-800	-0.31%
Lead	180900	-1575	-0.86%
Nickel	116616	654	0.56%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, August 26, 2024						
1:30 PM	Europe	German ifo Business Climate	86.6	86	87	Medium
6:00 PM	US	Durable Goods Orders m/m	9.90%	4%	-6.70%	Medium
Tuesday, August 27, 2024						
6:30 PM	US	S&P/CS Composite-20 HPI y/y	-	6.90%	6.80%	Medium
7:30 PM	US	CB Consumer Confidence	-	100.2	100.3	High
7:30 PM	US	Richmond Manufacturing Index	-	-14	-17	Medium
Wednesday, August 28, 2024						
10:45 AM	US	FOMC Member Waller Speaks	-	-	-	Medium
11:30 AM	Europe	German GfK Consumer Climate	-	-18.1	-18.4	Medium
8:00 PM	US	Crude Oil Inventories	-	-	-4.6M	Medium
Thursday, August 29, 2024						
All Day	Europe	German Prelim CPI m/m	-	0.00%	0.30%	High
6:00 PM	US	Prelim GDP q/q	-	2.80%	2.80%	High
6:00 PM	US	Unemployment Claims	-	234K	232K	High
7:30 PM	US	Pending Home Sales m/m	-	0.20%	4.80%	Medium
8:00 PM	US	Natural Gas Storage	-	-	35B	Medium
Friday, August 30, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	-	2.20%	2.20%	Medium
2:00 PM	UK	Net Lending to Individuals m/m	-	3.4B	3.8B	Medium
2:30 PM	Europe	CPI Flash Estimate y/y	-	2.20%	2.60%	High
6:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.20%	High
6:00 PM	US	Personal Spending m/m	-	0.50%	0.30%	Medium
7:15 PM	US	Chicago PMI	-	44.4	45.3	Medium
7:30 PM	US	Revised UoM Consumer Sentiment	-	67.9	67.8	Medium



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