

November 25, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	December	Buy	804-805	811	800	Intraday

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## News and Developments

- Spot gold prices gained more than 1% on Friday and hit its 2-week highs amid safe haven buying following escalating geopolitical tension between Ukraine-Russia. Also demand for the precious metals increased as weaker than expected Eurozone economic numbers increased the chances for a larger 50 bps rate cut by the ECB next month.
- US Dollar index traded higher and hit its 2-year highs on Friday amid weakness in Euro and mixed economic numbers from US. US service PMI data hits its highest numbers in 2-years, where as manufacturing PMI data indicated contraction in the activity. Further, weaker than expected US UoM consumer sentiment index also checked its upside.
- U.S Treasury yields were mixed on Friday. 10-year US treasury yields edged lower, where as 2-year yields traded higher amid diminishing probability of December rate cut. As per the CME Fed-watch tool December interest rate cut probability has come down below 53% from 61% a week ago.
- NYMEX Crude oil prices gained more than 1% on Friday and hit its 2-week highs amid rising geopolitical tension. Additionally, improved economic numbers from US and increasing risk appetite supported the oil prices to climb towards \$71.
- Copper price pared all its gains and lost almost 1% amid strong dollar and contraction in global manufacturing activity. US manufacturing activity last month remained below the 49 for the 6-month in a row. Meanwhile, declining inventory levels in LME and SHFE has limited its losses.
- NYMEX Natural gas pared all its gains after rallying to 1-year highs as US weather forecast turns warmer. On Friday it lost more than 6% after rallying almost 16% in the week.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	77616	1.20%	2716.2	1.74%
Silver	90768	0.94%	31.35	1.81%
Copper	813.8	-1.30%	8968.0	-0.45%
Aluminium	247.6	0.90%	2624.0	-0.29%
Zinc	282.3	0.61%	2966.5	-0.79%
Lead	177.2	-1.86%	2022.0	1.15%
WTI Crude Oil	6028	2.08%	71.24	1.63%
US Nat Gas	278.7	-4.65%	3.13	-6.29%

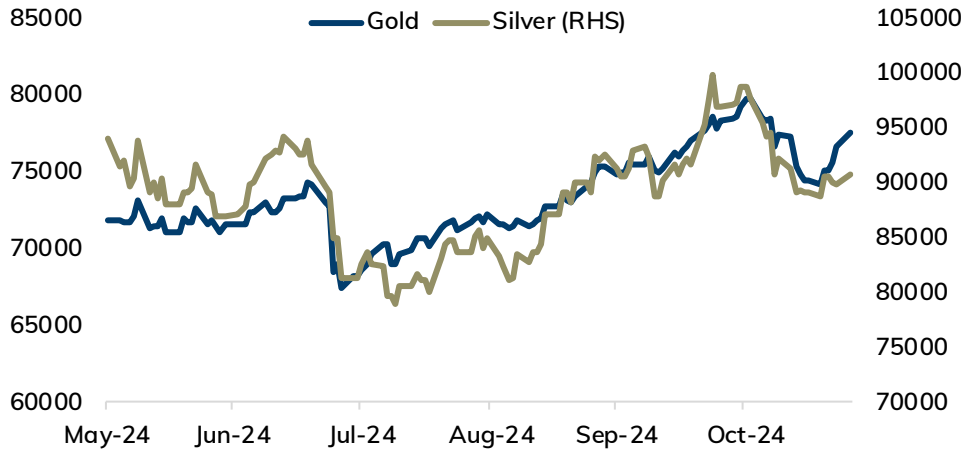
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th November)	84.43	-0.12%	3543043	22376	186364	-15574
EURINR (27th November)	88.09	-1.20%	22248	-161	8066	4300
GBPINR (27th November)	105.81	-0.99%	31853	-2796	9977	4227

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	December	Buy	5900-5920	6100	5800	Profit Booked

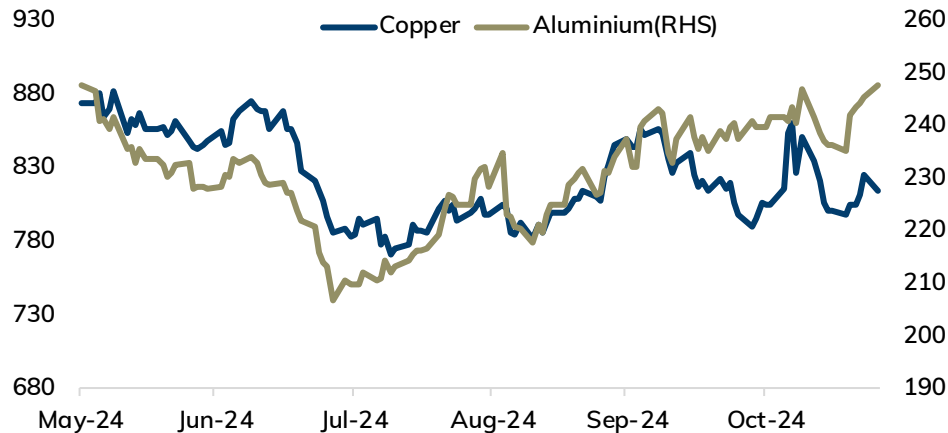
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is expected to hold its gains and extend its rebound towards \$2735 amid safe haven buying. Escalating tension between Russia and Ukraine would provide support to the yellow metal. Meanwhile, mixed comments from the Fed members and declining probability of December rate cut would limit the upside in the bullions. Further, strength in the dollar and expectation of better economic numbers from US would cap sharp upside in prices.
- Spot gold has rallied above the psychological mark at \$2700 and retraced above the 61.8% Fibonacci level of the recent decline at \$2696, indicating more room for prices towards \$2735. Only a move below \$2670 (20 DEMA) it would fall towards \$2635. MCX Gold December is expected to rise towards 78,200 as long as it holds above 77,000.
- Spot Silver is likely to hold the support of 100 day EMA at \$30.60 and rise towards \$31.60. MCX Silver is expected to move towards 91,500, as long as it holds above 89,000.

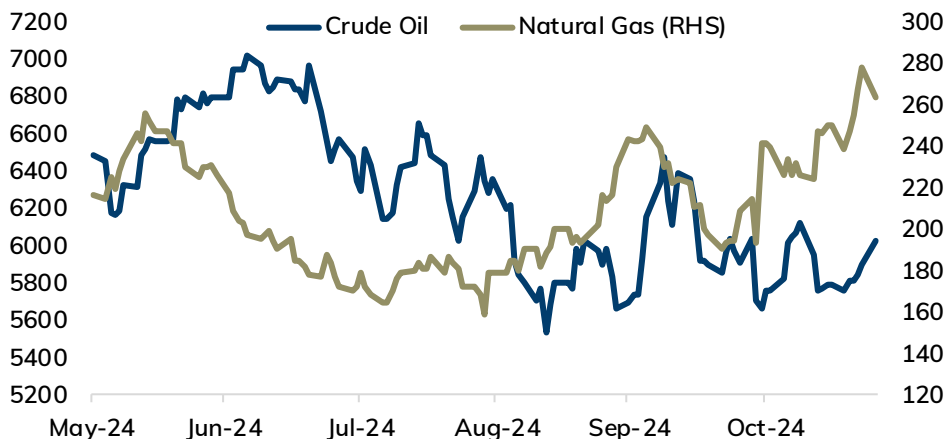
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to regain its strength and move higher amid improved demand outlook. Depleting inventory levels in SHFE and LME indicates demand improvement. Further, improved premiums along with TC charges could provide some support to the base metals. Meanwhile, strong dollar and diminishing probability of December rate cut in US would check its upside. Now the focus will remain on key economic numbers which could bring more clarity.
- MCX Copper December is expected to find the floor near 800 and move higher towards 812. A move above 812 would open the doors towards 818.
- MCX Aluminium December is expected to move in a tight range of 242 and 246. Only a move above 246 it would rise towards 248.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to trade higher and move towards \$73 amid escalating geopolitical tension between Russia and Ukraine. Further, demand improvement from China and India would support the oil prices to stay higher. Higher crack spread indicates demand improvement as refiners are likely to meet the by products demand. Furthermore, improved risk sentiments would also support the oil prices to stay higher.
- On the data front, closer of OI in the ATM and OTM call strike indicates an upward bias. MCX Crude oil December is likely to hold the support near 5900 and rise towards 6100. Only above 6100 it would rise towards 6200.
- Natural gas December future is expected to decline towards the initial support at 272, as long as it trades under 290. Formation of bearish engulfing pattern on the daily chart could limit its upside.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	76683	77150	77417	77884	78151
Silver	88994	89881	90547	91434	92100
Copper	801.0	807.4	818.7	825.0	836.3
Aluminium	243.5	245.5	247.0	249.1	250.6
Zinc	272.7	277.5	281.5	286.2	290.2
Lead	174.7	175.9	178.2	179.4	181.7
Crude Oil	5810	5919	5977	6086	6144
Nat Gas	258	268	286	297	315

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	84.35	84.39	84.45	84.49	84.56
US\$INR (Dec)	84.46	84.50	84.59	84.63	84.71
EURINR (Nov)	87.09	87.59	88.20	88.70	89.31
EURINR (Dec)	87.95	88.30	88.70	89.05	89.45
GBPINR (Nov)	104.85	105.33	105.95	106.43	107.06
GBPINR (Dec)	105.64	105.87	106.31	106.54	106.98
JPYINR (Nov)	54.50	54.70	54.80	55.00	55.10
JPYINR (Dec)	56.31	55.62	56.31	55.62	56.31

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	107.55	106.97	0.54%
US\$INR	84.46	84.50	-0.05%
EURUSD	1.0418	1.0474	-0.53%
EURINR	87.86	88.87	-1.14%
GBPUSD	1.2530	1.2589	-0.47%
GBPINR	105.67	106.74	-1.00%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.871	6.862	0.01
US	4.400	4.422	-0.02
Germany	2.242	2.318	-0.08
UK	4.386	4.443	-0.06
Japan	1.089	1.099	-0.01

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
11/20/2024	8:00 PM	0.5M	-0.1M
11/14/2024	8:00 PM	2.1M	0.4M
11/6/2024	8:00 PM	2.1M	0.3M
10/30/2024	8:00 PM	-0.5M	1.5M
10/23/2024	8:00 PM	5.5M	0.9M
10/17/2024	8:30 PM	-2.2M	1.8M
10/9/2024	8:00 PM	5.8M	2.0M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	272525	-100	-0.04%
Aluminium	708550	-2500	-0.35%
Zinc	261325	-3300	-1.25%
Lead	275275	-525	-0.19%
Nickel	159000	954	0.60%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, November 25, 2024						
2:30 PM	Europe	German ifo Business Climate	-	86.1	86.5	Medium
Tuesday, November 26, 2024						
7:30 PM	US	S&P/CS Composite-20 HPI y/y	-	5.10%	5.20%	Medium
8:30 PM	US	CB Consumer Confidence	-	112	108.7	High
8:30 PM	US	New Home Sales	-	724K	738K	Medium
8:30 PM	US	Richmond Manufacturing Index	-	-10	-14	Medium
Wednesday, November 27, 2024						
7:00 PM	US	Prelim GDP q/q	-	2.80%	2.80%	High
7:00 PM	US	Unemployment Claims	-	220K	213K	High
7:00 PM	US	Durable Goods Orders m/m	-	0.40%	-0.70%	Medium
8:15 PM	US	Chicago PMI	-	44.9	41.6	Medium
8:30 PM	US	Core PCE Price Index m/m	-	0.30%	0.30%	High
8:30 PM	US	Pending Home Sales m/m	-	-1.70%	7.40%	Medium
9:00 PM	US	Crude Oil Inventories	-	-	0.5M	Medium
10:30 PM	US	Natural Gas Storage	-	-	-3B	Medium
Thursday, November 28, 2024						
12:30 AM	US	FOMC Meeting Minutes	-	-	-	High
All Day	Europe	German Prelim CPI m/m	-	-0.20%	0.40%	High
Friday, November 29, 2024						
5:00 AM	Japan	Tokyo Core CPI y/y	-	2.00%	1.80%	Medium
3:30 PM	Europe	CPI Flash Estimate y/y	-	2.30%	2.00%	Medium
4:00 PM	India	GDP Quarterly YoY	-	-	6.70%	High



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