

September 5, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	October	Buy	71250-71300	71850	70950	Intraday

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## News and Developments

- Gold prices rebounded from its days lows and edged higher amid retreat in the dollar. Dollar index took pause in its rally and traded lower after the July US trade deficit numbers widened for the most in 2-years. Further losses in the dollar accelerated after the US JOLTS job opening numbers fell to a 3-1/2 year low.
- Dollar index retreated from its 2-week high amid weaker set of economic numbers. US trade deficit widened to -\$78.8 billion from -\$73 billion in June. Further, decline in US JOLTS job opening numbers which fell by 237,000 to 7.673 million also weighed on the dollar.
- US 10-year and 2-year US treasury yields settled lower amid growing prospects of interest rate cuts in September. Mostly watched yield curve between 2 and 10-year notes turned positive after the US job openings dropped to 3 1/2 year low in July.
- NYMEX crude oil prices remained under pressure amid demand concerns. However, prices recovered from its 8-months lows amid weak dollar and signs that OPEC+ may delay a planned crude production increase in response to weak energy demand. Meanwhile, weaker economic numbers from US also weighed on the oil prices to remain below the \$70 mark.
- Base metals prices traded lower amid shrinking demand from the top metal consumer China. Sluggish growth in the housing market despite recent measures from China has weighed on the metal prices. Further, copper prices traded lower amid rising LME inventories which hit its highest level in last five years.
- NYMEX natural gas pared all its gains and ended the day on a losing side amid ample inventory levels and rising supplies.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71466	0.12%	2495.72	0.11%
Silver	81337	0.16%	28.27	0.81%
Copper	783.4	-0.25%	8960.00	0.06%
Aluminium	220.5	-0.99%	2396.50	-0.46%
Zinc	261.5	-1.49%	2795.50	-1.77%
Lead	183.5	-0.65%	2020.00	-1.44%
WTI Crude Oil	5851	-1.15%	69.20	-1.62%
US Nat Gas	180.6	-2.27%	2.15	-2.63%

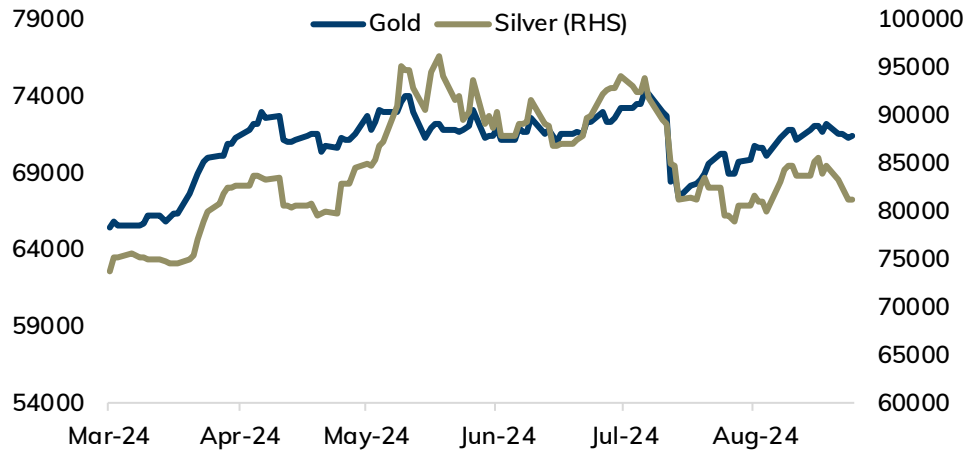
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th September)	84.07	0.05%	1649908	73335	171962	-191602
EURINR (26th September)	92.94	0.06%	41774	-27	543	-1378
GBPINR (26th September)	110.21	0.02%	57345	52	1089	-1463

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	September	Sell	5980-6000	5800	6100	Profit Booked

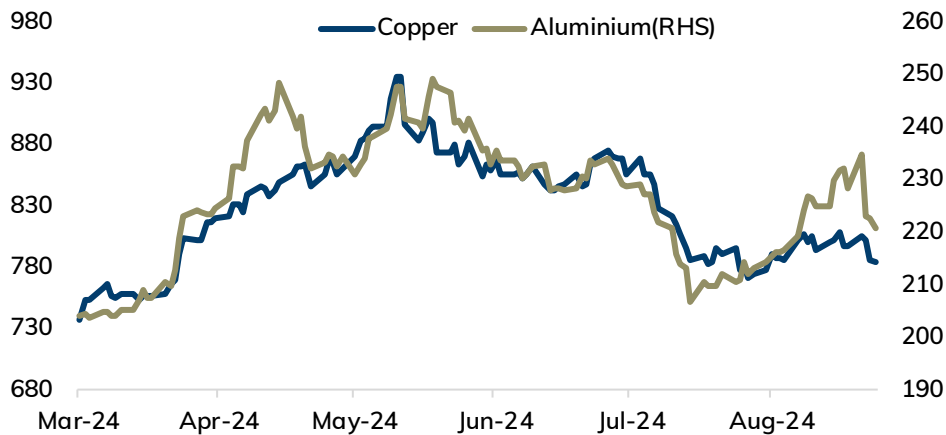
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to hold the support near \$2470 and move higher towards \$2520 amid weak dollar and fall in US treasury yields. Expectation of weaker job market would increase the probability of a 50 bps interest rate cut and support the precious metals to trade higher. Weekly jobless claims data is likely to indicate a calmness in the unemployment last week. Moreover, safe haven buying due to the ongoing tension in the Middle East would also provide some support to the bullions. At the same time, a strong call base near 2550 call strike indicates a stiff resistance for the yellow metal.
- MCX Gold Oct has to hold the key support near 71,000 and move back towards 72,200. Only close below 71,000 it would turn weaker.
- Spot silver held the support of 61.8% Fibonacci retracement level of the recent up move. As long as it holds the \$27.80 level it is expected to rebound towards \$28.80. MCX Silver December is expected to hold the key support near 82,500 and rebound towards 85,200.

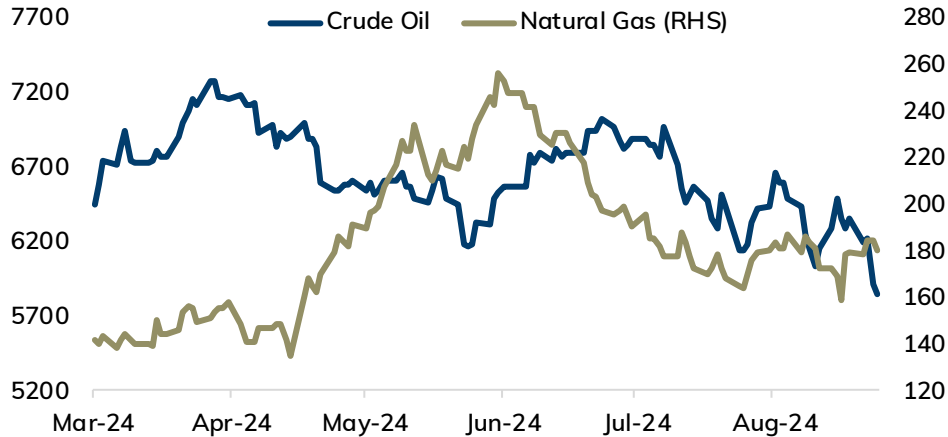
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to remain under pressure amid demand concerns from the top metal consumer China. Increasing inventory levels in LME to a 5-year high mainly in the Asian warehouses indicates subdued demand in China. Moreover, fading fears of deficit this year also led liquidation by the fund houses as they reduced their price forecast in the coming year. Meanwhile, improved risk sentiments amid prospects of soft landing in US economy could provide some support to the red metals and limit its downside.
- MCX Copper September is expected to face hurdle near 792 and move lower towards 778. A move below 778, would weaken further towards 772.
- MCX Aluminium is expected to face the hurdle near 223 and weaken towards 218. Declining cash to 3-month premium and increasing inventory levels is likely to weigh on the metal prices.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to remain under pressure amid demand fears and uncertainty over OPEC+ production. Further, China's factory activity contracted for the 6<sup>th</sup> month in a row, leading to demand concerns. Furthermore, improved prospects of supply resumption from Libya would hurt oil prices. Meanwhile, a sharp decline in API inventory levels by 7.43 million barrels last week could provide some support to prices. On the upside \$71.50 would act as major resistance for price and weaken it towards \$68.50. A move below \$68.50 would open the downside towards \$67.
- MCX Crude oil Sep is likely to trade lower towards 5780, as long as it trades under 6020. Formation of bearish engulfing pattern and breakdown of multiple support indicates weakness in the trend.
- MCX Natural gas September is likely to weaken towards 176 amid forecast of less demand and ample stockpiles.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70643	71054	71325	71736	72007
Silver	80375	80856	81178	81659	81981
Copper	772.6	778.0	783.6	789.0	794.6
Aluminium	216.6	218.5	220.6	222.5	224.6
Zinc	257.1	259.3	262.5	264.7	267.9
Lead	182.5	183.0	183.7	184.2	184.9
Crude Oil	5700	5776	5897	5973	6094
Nat Gas	173	177	184	188	195

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	83.98	84.02	84.06	84.10	84.14
US\$INR (Oct)	84.08	84.12	84.15	84.19	84.22
EURINR (Sep)	92.81	92.87	92.93	92.99	93.04
EURINR (Oct)	92.88	92.97	93.03	93.12	93.18
GBPINR (Sep)	109.95	110.08	110.21	110.35	110.48
GBPINR (Oct)	110.02	110.09	110.17	110.24	110.32
JPYINR (Sep)	57.47	57.71	57.85	58.09	58.24
JPYINR (Oct)	57.89	58.19	58.15	58.45	58.40

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	101.36	101.83	-0.46%
US\$INR	83.97	83.97	0.01%
EURUSD	1.1082	1.1043	0.35%
EURINR	92.83	92.70	0.14%
GBPUSD	1.3147	1.3114	0.25%
GBPINR	110.15	110.12	0.03%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.858	6.871	-0.01
US	3.755	3.831	-0.08
Germany	2.224	2.277	-0.05
UK	3.935	3.990	-0.06
Japan	0.884	0.926	-0.04

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
8/28/2024	8:00 PM	-0.8M	-2.7M
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

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	318650	850	0.27%
Aluminium	840425	-3500	-0.41%
Zinc	239750	-1575	-0.65%
Lead	177500	-375	-0.21%
Nickel	121230	1938	1.62%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, September 2, 2024						
7:15 AM	China	Caixin Manufacturing PMI	50.4	50	49.8	Medium
1:30 PM	Europe	Final Manufacturing PMI	45.8	45.6	45.6	Medium
Tuesday, September 3, 2024						
7:30 PM	US	ISM Manufacturing PMI	47.2	47.5	46.8	High
7:30 PM	US	ISM Manufacturing Prices	54	52.5	52.9	Medium
Wednesday, September 4, 2024						
7:15 AM	China	Caixin Services PMI	51.6	52.1	52.1	Medium
7:30 PM	US	JOLTS Job Openings	7.67M	8.00M	8.18M	High
7:30 PM	US	Factory Orders m/m	5.00%	4.50%	-3.30%	Medium
11:30 PM	US	Beige Book	-	-	-	Medium
Thursday, September 5, 2024						
2:00 PM	UK	Construction PMI	-	54.6	55.3	Medium
2:30 PM	Europe	Retail Sales m/m	-	0.10%	-0.30%	Medium
5:45 PM	US	ADP Non-Farm Employment Change	-	136K	122K	High
6:00 PM	US	Unemployment Claims	-	229K	231K	High
7:30 PM	US	ISM Services PMI	-	50.9	51.4	High
8:00 PM	US	Natural Gas Storage	-	-	35B	Medium
8:30 PM	US	Crude Oil Inventories	-	-	-0.8M	Medium
Friday, September 6, 2024						
11:30 AM	Europe	German Industrial Production m/m	-	-0.40%	1.40%	Medium
11:30 AM	UK	Halifax HPI m/m	-	0.20%	0.80%	Medium
6:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.20%	High
6:00 PM	US	Non-Farm Employment Change	-	164K	114K	High
6:00 PM	US	Unemployment Rate	-	4.20%	4.30%	High
6:15 PM	US	FOMC Member Williams Speaks	-	-	-	Medium



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