

December 17, 2024

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	December	Sell	816-817	809	821	Intraday

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News and Developments

- Spot gold prices remained in a tight range on Monday after declining in last 2 sessions as most investors remained cautious ahead of the fed meeting this week. Prices found support from increasing central bank holdings. Further, contraction of manufacturing activity in US also supported the bullions to edge higher.
- Silver prices also followed the yellow metal and remained in a range despite weaker than expected manufacturing activity in US and Europe.
- The US dollar index traded in a tight range as market awaits Fed action this week. Meanwhile, mixed economic numbers from US also checked any sharp movement in the dollar. The US Dec S&P manufacturing PMI fell -1.4 to 48.3, weaker than expectations of 49.5. However, the Dec S&P services PMI rose +2.4 to 58.5, stronger than expectations of 55.8
- US 10-year treasury yields hit its 1-month high on Monday as further signs of a strong US economy added to expectations of fewer rate cuts by the Federal Reserve next year.
- NYMEX Crude oil prices edged lower on Monday after rallying more than 5% last week as weaker than expected economic numbers from China forced the investors to remain cautious. However, expectation of tighter supplies amid fear of sanction on Iran and Russian oil producers limited its downside.
- Base metals traded lower on Monday as weaker than expected Chinese retail sales numbers raised doubts on economic recovery. Further, weaker than expected manufacturing activity in US also weighed on the metal prices
- NYMEX Natural gas prices traded lower on Monday on forecast of mild weather in most parts of US. Prices almost lost 2% amid drop in export demand and increasing gas output in December.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	77061	-0.10%	2652.7	0.17%
Silver	91183	0.20%	30.55	-0.01%
Copper	814.3	-0.06%	9062.5	0.11%
Aluminium	243.4	-0.53%	2566.5	-1.48%
Zinc	285.4	-0.76%	3056.0	-1.28%
Lead	179.1	-0.14%	2000.5	-0.47%
WTI Crude Oil	6008	-0.25%	70.71	-0.81%
US Nat Gas	274.0	-1.86%	3.21	-2.01%

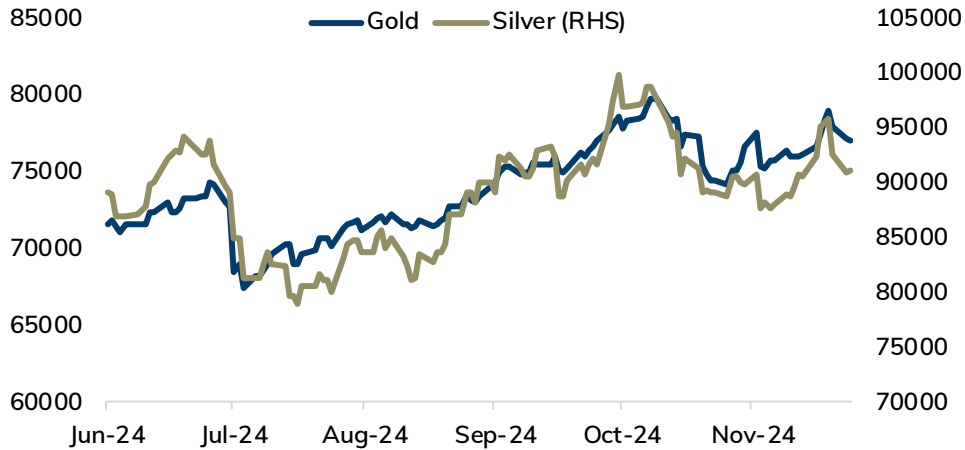
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th December)	85.01	0.15%	3374348	-28475	353102	192949
EURINR (27th December)	89.17	0.21%	23973	142	1381	-2405
GBPINR (27th December)	107.45	0.14%	18741	-232	4151	-2093

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	December	Sell	284-285	274	290	Not initiated

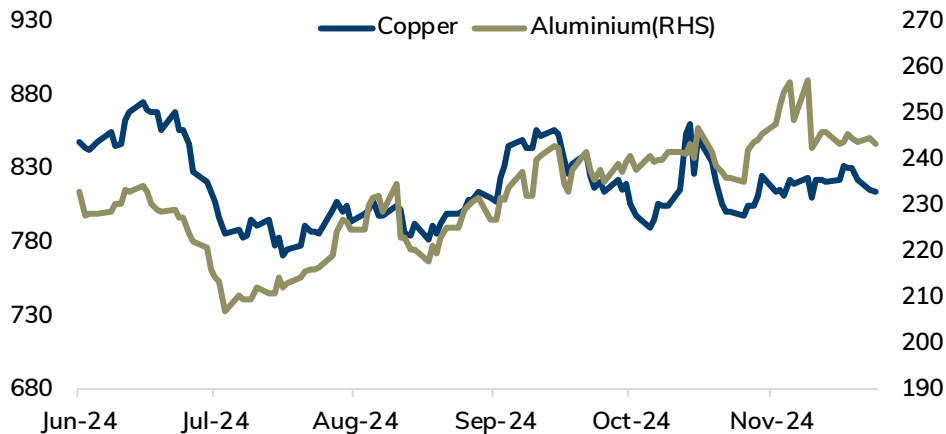
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold the support of 50 day EMA at \$2645 and move in a tight range ahead of the Fed meeting. Gains will be restricted on growing skepticism over Fed rate cuts in January. Further, expectation of better than expected retail sales numbers would also check any major up move in the metal. Meanwhile, all focus will remain on Fed's monetary policy outlook which would give further clarity in price direction.
- Spot gold is likely to hold the 50 day EMA support near \$2645 and move towards \$2675. Only a move below \$2645 it would weaken further towards \$2615. Formation of a bearish engulfing pattern could limit upward move. Meanwhile, the oscillator RSI is at 50, indicating sideways movement. MCX Gold February is expected to hold the support of 76,800 and move towards 77,500. Only close below 76,800 it would turn bearish.
- MCX Silver March is expected to remain in the range of 90,400 and 92,400. Below, 90,400 it would open the doors towards 89,000.

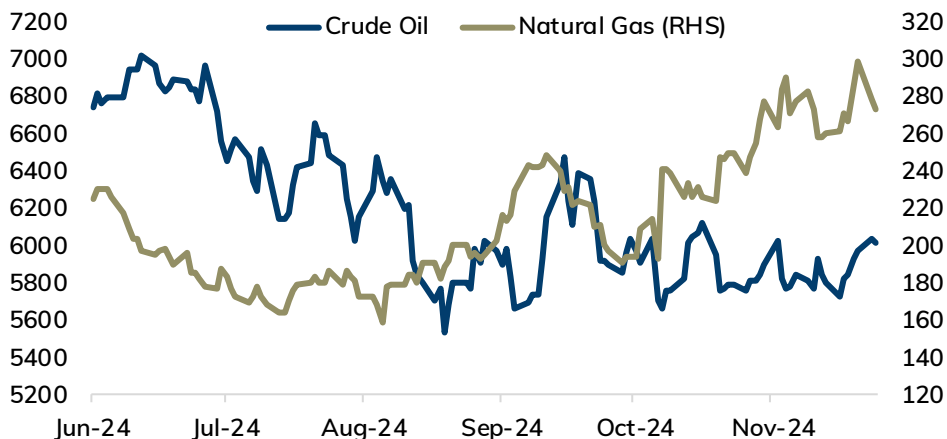
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade lower amid weaker economic numbers from China. Weakness in the credit growth numbers and slowdown in new home prices would weigh on the metals demand. Further, slowdown in retail sales and weakness in the Yuan could depress prices and dampen demand outlook. Meanwhile, focus will remain on the Fed's policy which will give more clarity on its policy outlook.
- MCX Copper December is expected to face the hurdle of 50 day EMA at 820 and move lower towards 808.
- Aluminum is expected to consolidate in the band of 242 and 245 ahead of key event tomorrow. Only close below 242 it would weaken towards 240.
- MCX Zinc is expected to dip towards 283, as long as it trades under the 20 day EMA at 287.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is likely to find the floor near \$69 and move towards \$71 amid growing speculation over fresh sanctions on Iranian oil. Price would also find support on growing optimism over 25 bps interest rate cut from the Fed. Lower interest rates can boost economic growth and improve demand outlook. Meanwhile, sluggish demand growth from China and rising gasoline stocks would limit its upside.
- On the data front, fresh addition of OI near ATM call strikes indicates oil prices to remain in the range of \$69 to \$71. MCX Crude oil December is likely to hold the support of 50 day EMA at 5900 and rise towards 6100. Only below 5900 it would turn weaker.
- MCX Natural gas December future is expected to hold the support near 20 day EMA at 266 and rebound towards 280. Only close below 266 it would open the doors towards 260. Forecast of mild weather and rising output would limit its upside.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	76626	76844	77121	77339	77616
Silver	90347	90765	91168	91586	91989
Copper	807.2	810.7	814.6	818.1	822.0
Aluminium	241.8	242.6	243.5	244.2	245.1
Zinc	282.8	284.1	286.0	287.3	289.1
Lead	178.5	178.8	179.3	179.6	180.1
Crude Oil	5938	5973	5998	6033	6058
Nat Gas	263	269	273	278	282

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Dec)	84.80	84.90	84.98	85.08	85.15
US\$INR (Jan)	85.00	85.09	85.14	85.23	85.28
EURINR (Dec)	88.96	89.07	89.21	89.31	89.46
EURINR (Jan)	89.34	89.46	89.53	89.65	89.72
GBPINR (Dec)	106.95	107.20	107.35	107.60	107.75
GBPINR (Jan)	107.52	107.56	107.59	107.63	107.66
JPYINR (Dec)	55.70	55.90	56.04	56.24	56.38
JPYINR (Jan)	56.54	56.54	56.54	56.54	56.54

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	106.86	107.00	-0.14%
US\$INR	84.87	84.80	0.09%
EURUSD	1.0512	1.0501	0.10%
EURINR	89.15	88.93	0.25%
GBPUSD	1.2683	1.2619	0.51%
GBPINR	107.39	107.18	0.20%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.743	6.728	0.02
US	4.397	4.397	0.00
Germany	2.247	2.257	-0.01
UK	4.442	4.412	0.03
Japan	1.071	1.042	0.03

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
11-12-2024	9:00 PM	-1.4M	-1.0M
04-12-2024	9:00 PM	-5.1M	-1.6M
27-11-2024	9:00 PM	-1.8M	-1.3M
20-11-2024	9:00 PM	0.5M	-0.1M
14-11-2024	9:00 PM	2.1M	0.4M
06-11-2024	9:00 PM	2.1M	0.3M
30-10-2024	8:00 PM	-0.5M	1.5M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	272625	-200	-0.07%
Aluminium	672525	-2500	-0.37%
Zinc	266500	-2000	-0.74%
Lead	257125	-3650	-1.40%
Nickel	165186	678	0.41%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, December 16, 2024						
7:30 AM	China	Industrial Production y/y	5.40%	5.40%	5.30%	Medium
1:45 PM	Europe	French Flash Manufacturing PMI	41.9	43.2	43.1	High
2:00 PM	Europe	German Flash Manufacturing PMI	42.5	43.1	43	High
2:05 PM	Europe	ECB President Lagarde Speaks	-	-	-	Medium
2:30 PM	Europe	Flash Manufacturing PMI	45.2	45.3	45.2	Medium
3:00 PM	UK	Flash Manufacturing PMI	47.3	48.4	48	High
8:15 PM	US	Flash Manufacturing PMI	48.3	49.4	49.7	High
8:15 PM	US	Flash Services PMI	58.5	55.7	56.1	High
Tuesday, December 17, 2024						
12:30 PM	UK	Claimant Count Change	-	28.2K	26.7K	High
2:30 PM	Europe	German ifo Business Climate	-	85.5	85.7	Medium
3:30 PM	Europe	German ZEW Economic Sentiment	-	6.4	7.4	Medium
7:00 PM	US	Retail Sales m/m	-	0.60%	0.40%	High
Wednesday, December 18, 2024						
12:30 PM	UK	CPI y/y	-	2.60%	2.30%	High
7:00 PM	US	Building Permits	-	1.43M	1.42M	Medium
9:00 PM	US	Crude Oil Inventories	-	-	-1.4M	Medium
Thursday, December 19, 2024						
12:30 AM	US	Federal Funds Rate	-	4.50%	4.75%	High
12:30 AM	US	FOMC Economic Projections	-	-	-	High
Tentative	Japan	BOJ Policy Rate	-	<0.25%	<0.25%	High
5:30 PM	UK	Official Bank Rate	-	4.75%	4.75%	High
7:00 PM	US	Final GDP q/q	-	2.80%	2.80%	High
7:00 PM	US	Unemployment Claims	-	245K	242K	High
9:00 PM	US	Natural Gas Storage	-	-	-190B	Medium
Friday, December 20, 2024						
6:45 AM	China	1-y Loan Prime Rate	-	3.10%	3.10%	Medium
6:45 AM	China	5-y Loan Prime Rate	-	3.60%	3.60%	Medium
12:30 PM	UK	Retail Sales m/m	-	0.50%	-0.70%	High
7:00 PM	US	Core PCE Price Index m/m	-	0.20%	0.30%	High



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