

June 21, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	July	Buy	72020-72050	72600	71750	Intraday

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## News and Developments

- Spot gold prices rallied almost 1% on Thursday as weak US economic data increased the probability of interest rate cut from the Federal reserve this year. Last week's data indicated moderation in the labor market, followed up with soft retail sales data suggesting lackluster economic activity in the second quarter. Further, rate cut by SNB (Swiss National Bank) for the second time in this year also supported the bullions to trade higher.
- Silver prices gained the most and rallied more than 3% despite of stronger dollar and rise in US treasury yields.
- Dollar index edged higher lifted by wider interest rate differential as other economies started lowering the rates ahead of the US. Further, softness in the pound after the BOE signaled to lower rates in this year supported dollar to trade higher.
- NYMEX Crude oil prices extend its gain on Thursday amid fall in weekly inventory data. Crude oil stocks decline by 2.5M barrels. Further, rise in gasoline demand to a 7-month high supported the oil prices to hit \$81 mark. Additionally, escalating tension in the Middle east also raised supply concerns and strengthened the bullish tone in oil prices
- Copper prices traded higher amid China's easing monetary policy stance. The PBOC has left the key 1-year and 5-year rates lower levels to spur the economic growth in the region. Further, improved demand from the end users after supply concerns from major mines strengthened the red metal to hit its weekly highs.
- Natural Gas prices lost more than 5% amid increase in output from top producers in June to meet the increased demand from the electricity providers.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72586	1.19%	2360.09	1.37%
Silver	91665	2.45%	30.74	3.21%
Copper	861.9	0.86%	9858.00	0.74%
Aluminium	232.5	0.65%	2521.50	0.90%
Zinc	262.1	0.46%	2873.50	0.16%
Lead	188.8	0.16%	2216.50	0.82%
WTI Crude Oil	6799	0.98%	82.17	0.74%
US Nat Gas	229.9	-4.96%	2.74	-5.78%

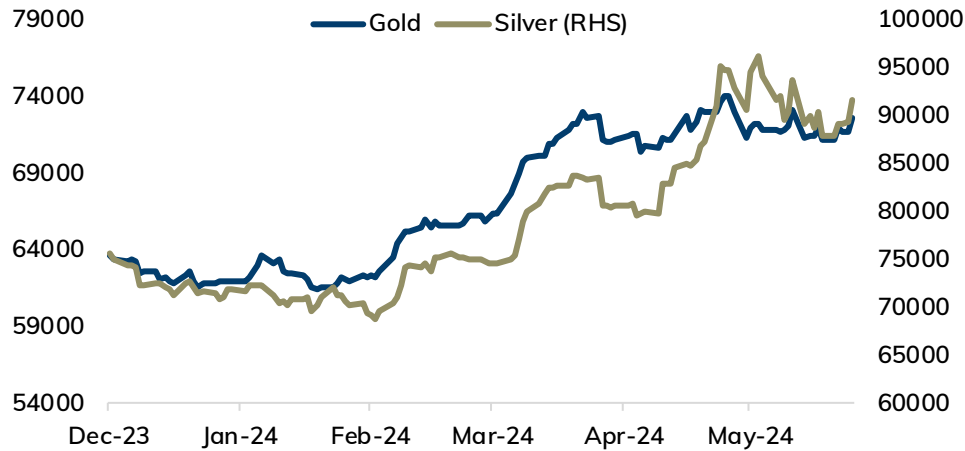
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th June)	83.64	0.21%	2622345	-137987	456718	-819227
EURINR (26th June)	89.65	0.02%	13399	1524	4407	2147
GBPINR (26th June)	106.13	-0.06%	15946	-57	1816	-2266

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	June	Buy	850-851	862	845	Not initiated

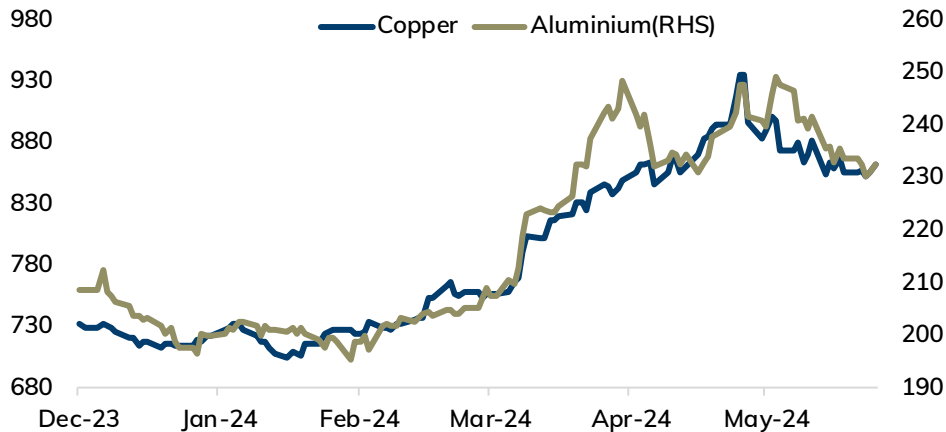
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to hold the support near \$2340 and move towards \$2384 level amid increasing prospects of rate cut from major central banks. Recent economic numbers from US suggests sluggish growth in the 2<sup>nd</sup> quarter, which could force the Federal Reserve to lower the rates in September. The rate cut probability in September has remained above 64%. Further, forecast of weaker home sales numbers and manufacturing PMI numbers could weigh on the dollar and support the bullions to trade higher. Additionally, closure of OTM Calls indicates upside in the yellow metal.
- MCX Gold Aug price is likely to trade higher towards 73,000, as long as it holds above 72,000. A move above 73,000 it would rise towards 73,500.
- MCX Silver July is expected to move higher towards 93,200, as long as it holds above 90,000.

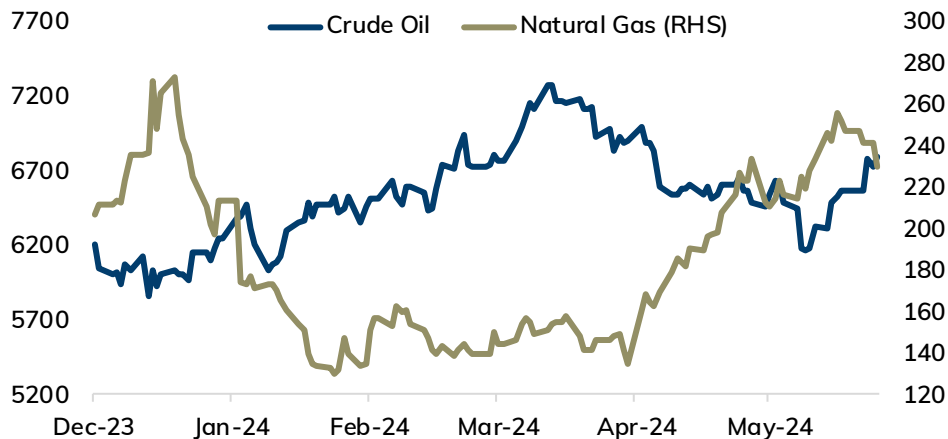
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade higher amid hopes of improved demand from China and supply issues. Further, increasing prospects of more stimulus from China to support the struggling property sector would support the metal to regain its strength. Additionally, an increase in orders from the copper fabricators last week indicated a sign of demand recovery in the metal. Meanwhile, focus will remain on the key manufacturing activity numbers from Europe and US which would give further clarity on the demand growth in the metals.
- MCX Copper is expected to hold the support near 855 and move back towards 870. Above, 870 prices may rally towards 876 mark
- Aluminum is expected to hold the support near 230 and move higher towards 236. Only close below 230 it would turn weaker towards 228.

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to hold its ground above the \$80 and move towards the \$83 mark amid improved risk sentiments. Further, higher demand of gasoline and refinery runs in US would help the oil prices to stick to its gains. Additionally, growing geopolitical tension in the Middle East would add risk premium to oil price. Further, growing prospects of lower interest rate from major central banks in this year would favor the bullish outlook. Meanwhile, higher OI concentration at OTM call strikes indicates price may face stiff resistance.
- MCX Crude oil July is likely to move higher towards 6900 level as long as it stays above 6700 mark.
- MCX Natural gas July is expected to weaken further towards 230, as long as it trades under the 246 mark. Increasing production and higher inventories is likely to counter the demand from the electricity providers.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	71370	71978	72414	73022	73458
Silver	89307	90486	91168	92347	93029
Copper	850.1	856.0	859.5	865.4	868.9
Aluminium	229.8	231.1	232.0	233.3	234.2
Zinc	258.5	260.3	261.7	263.5	265.0
Lead	186.9	187.9	188.6	189.5	190.2
Crude Oil	6680	6739	6779	6838	6878
Nat Gas	218	224	234	240	251

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	83.36	83.50	83.59	83.73	83.82
US\$INR (July)	83.44	83.57	83.66	83.79	83.88
EURINR (June)	89.34	89.50	89.60	89.76	89.86
EURINR (July)	89.76	89.81	89.83	89.87	89.90
GBPINR (June)	105.94	106.04	106.14	106.24	106.34
GBPINR (July)	106.03	106.11	106.19	106.28	106.35
JPYINR (June)	52.82	52.89	52.98	53.05	53.14
JPYINR (July)	53.05	53.13	53.27	53.35	53.49

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.59	105.25	0.32%
US\$INR	83.65	83.45	0.23%
EURUSD	1.0702	1.0744	-0.39%
EURINR	89.72	89.61	0.13%
GBPUSD	1.2657	1.2720	-0.50%
GBPINR	106.29	106.24	0.04%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.978	6.974	0.00
US	4.259	4.223	0.01
Germany	2.431	2.404	0.01
UK	4.057	4.067	0.00
Japan	0.957	0.931	0.03

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
5/8/2024	8:00 PM	-1.4M	-1.0M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	161925	3225	2.03%
Aluminium	1061000	-5575	-0.52%
Zinc	244375	-2725	-1.10%
Lead	226575	-375	-0.17%
Nickel	90396	834	0.93%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, June 17, 2024						
7:30 AM	China	Industrial Production y/y	5.6%	6.2%	6.7%	Medium
6:00 PM	US	Empire State Manufacturing Index	-0.6	-12.5	-15.6	High
Tuesday, June 18, 2024						
2:30 PM	Europe	Final CPI y/y	2.60%	2.60%	2.60%	Medium
2:30 PM	Europe	German ZEW Economic Sentiment	47.5	49.60	47.10	Medium
6:00 PM	US	Retail Sales m/m	0.1%	0.3%	-0.2%	High
6:45 PM	US	Industrial Production m/m	0.9%	0.3%	0.0%	Medium
Wednesday, June 19, 2024						
11:30 AM	UK	CPI y/y	2.0%	2.0%	2.3%	High
All Day	US	NAHB Housing Market Index	43	45	45	Medium
Thursday, June 20, 2024						
6:45 AM	China	5-y Loan Prime Rate	3.95%	3.95%	3.95%	Medium
4:30 PM	UK	Official Bank Rate	5.25%	5.25%	5.25%	High
6:00 PM	US	Unemployment Claims	238K	222k	229k	High
6:00 PM	US	Building Permits	1.39M	1.37M	1.36M	Medium
8:30 PM	US	Crude Oil Inventories	-2.5M	-2.8M	3.7M	Medium
Friday, June 21, 2024						
11:30 AM	UK	Retail Sales m/m		1.6%	-2.3%	High
1:30 PM	Europe	Flash Manufacturing PMI		48	47.3	Medium
1:30 PM	Europe	Flash Services PMI		53.5	53.2	Medium
2:00 PM	UK	Flash Manufacturing PMI		51.3	51.1	High
2:00 PM	UK	Flash Services PMI		53.0	52.9	High
7:15 PM	US	Flash Manufacturing PMI		51.0	51.3	High
7:15 PM	US	Flash Services PMI		53.4	54.8	High
7:30 PM	US	Existing Home Sales		4.08M	4.14M	Medium
8:00 PM	US	Natural Gas Storage		-	74B	Medium



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