

October 21, 2024

# Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	October	Buy	819-820	828	815	Intraday

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## News and Developments

- Spot gold prices ended on positive note gaining 1.09%, while Silver prices rallied more than 6% on Friday. Gold prices hit another record high and surged above \$2700 level on rise in demand for safe haven due to uncertainty surrounding US Presidential election and escalating geopolitical tension in Middle East. Further, expectations of relaxed monetary policy environment across major economies supported prices
- Spot Silver prices soared to \$33.75 level reaching their highest level in nearly 12 years. Silver prices followed golds' rise. As well positive economic data from China supported prices
- US Dollar hit a pause button to its recent rally and slipped by 0.29% on Friday on rise in risk appetite in the global markets and mixed batch of economic data from US. Market sentiments improved following yet another round of stimulus measures from China that bolstered global equities led by Chinese stocks. Moreover, strength in Pound and euro weighed on dollar. Pound gained after data showed retail sales grew more than expected in September, giving investors some comfort about the strength of the economy
- US Treasury yields slipped on mixed batch of housing data. The benchmark US Treasury 10-year yield slipped to 4.085%, while 2-year treasury yield, which typically moves in step with interest rate expectations declined to 3.95%
- Crude oil prices settled lower on Friday losing almost 2% amid mixed economic data from US and as Chinese economic growth slowed. Chinese economy grew at the slowest pace since early 2023 in the third quarter, though September consumption and industrial output beat forecasts
- Copper prices traded with positive bias gaining 1.4% amid weak dollar and rise in risk appetite in the global markets. Further, China's central bank rolled out two funding schemes that will initially pump 800 billion yuan into the stock market

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	77749	0.83%	2721.46	1.07%
Silver	95402	3.99%	33.72	6.37%
Copper	842.8	0.68%	9625.50	1.15%
Aluminium	241.5	1.47%	2612.00	2.29%
Zinc	284.3	1.19%	3089.50	1.23%
Lead	183.9	0.05%	2072.00	0.12%
WTI Crude Oil	5855	-0.71%	69.22	-2.05%
US Nat Gas	190.9	-3.39%	2.26	-3.79%

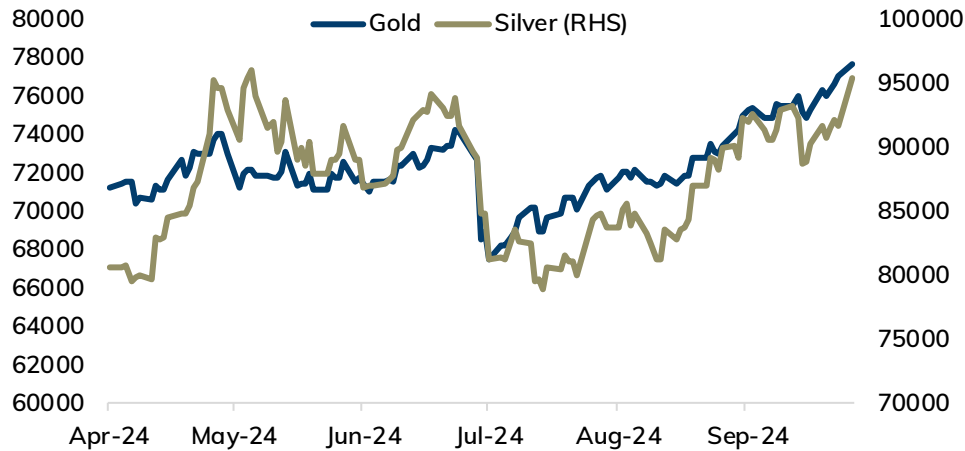
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th October)	84.08	-0.01%	3254600	363176	1047177	741896
EURINR (29th October)	91.27	-0.13%	17618	-1699	4012	599
GBPINR (29th October)	109.68	0.32%	22098	365	1748	-3221

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Silver Micro	November	Buy	91450-91500	92300	91000	Not Initiated

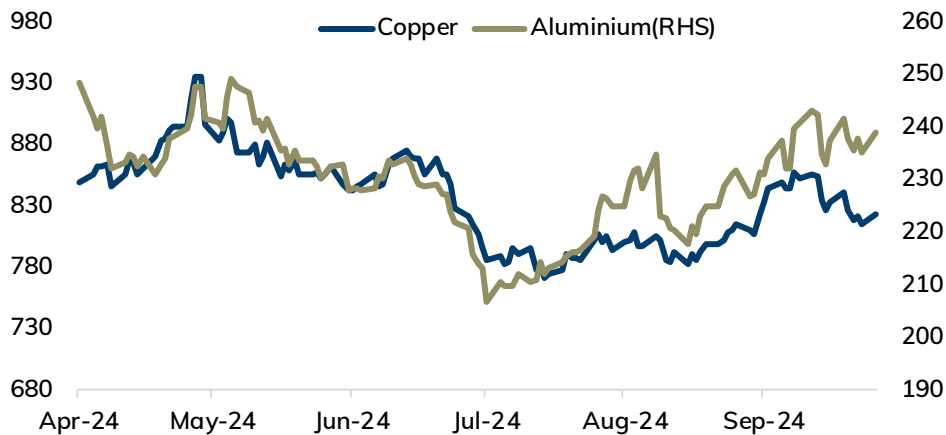
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to continue with its upward momentum and rise further towards \$2750 level amid weakness in dollar and softening of US treasury yields. Further, prices may rally on rise in demand for safe haven due to uncertainty surrounding US election and ongoing geopolitical tensions. Furthermore, prices may rally on expectations that major central banks across globe would continue to ease monetary policy further. Additionally, fund buying of gold would support prices, long gold positions in ETFs rose to an 8 ½ month high. Moreover, BOJ officials see little need to rush to increase interest rates this month.
- Spot gold is likely to rally further towards \$2750 level as long as it stays above \$2700 level. MCX Gold December is expected to rise towards 78,000 level as long as it trades above 77,300 level.
- Spot Silver is likely to face stiff resistance near \$34 level, only break above this level prices may rally further towards \$34.50 level. MCX Silver is expected to rise towards 97,000 level as long as it trades above 94,000 level.

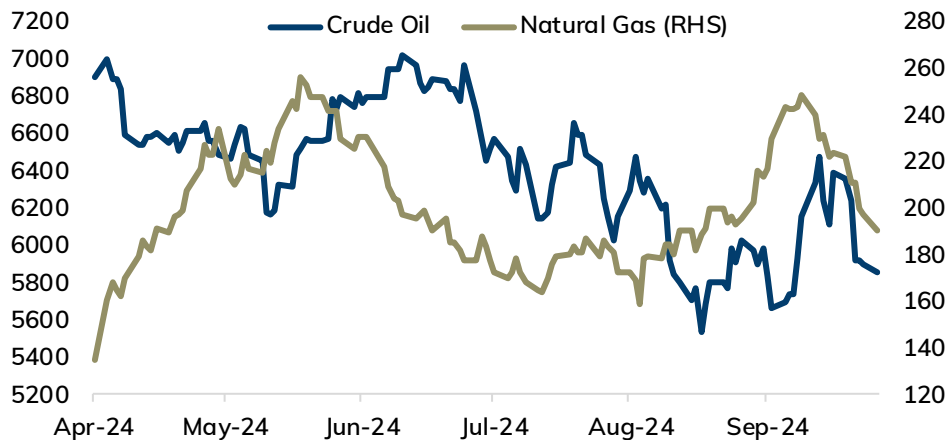
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade with positive bias amid weakness in dollar, decline in inventories at LME registered warehouses and rise in risk appetite in the global markets. Further, prices may rally on better than expected industrial and retail sales data from China, hopeful signs for the country's flagging economy. Additionally, China's central bank cuts its loan prime lending rates to shore up the imploding property sector and revive growth. PBOC cut 1 and 5 year LPRs by 25 bps to 3.1% and 3.6% respectively
- MCX Copper October is expected to rise further towards 832 level as long as it stays above 815 level. A break above 832 prices would rise further towards 840 level
- MCX Aluminium is expected to move north towards 241 level as long as it stays above 237 level

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to rise back towards \$70 level on weakness in dollar, optimistic global market sentiments and simmering Middle East tension. Additionally, prices may move north on expectation that major central banks across globe would continue to ease monetary policy to boost economic growth. Lower borrowing costs can boost economic growth and demand for oil. Furthermore, People's Bank of China (PBOC) lowered its 1-year and 5-year lending rates by 25bps to support economic growth and fight off deflation.
- NYMEX Crude oil is likely to move back towards \$70 level as long as it stays above \$67.50 level. MCX Crude oil Nov is likely to rise towards 5950 level as long as it stays above 5670 level.
- MCX Natural gas November is expected to hold the support near 230 level and rise back towards 240 level. Only break below 230 prices may further weaken towards 225 level

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	77082	77416	77627	77961	78172
Silver	90780	93091	94306	96617	97832
Copper	835.3	839.1	842.8	846.5	850.2
Aluminium	236.2	238.8	240.4	243.0	244.6
Zinc	279.8	282.0	283.3	285.5	286.7
Lead	182.0	182.9	183.7	184.7	185.5
Crude Oil	5658	5757	5870	5969	6082
Nat Gas	184	187	193	197	203

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	84.05	84.06	84.08	84.10	84.11
US\$INR (Nov)	84.11	84.15	84.18	84.22	84.26
EURINR (Oct)	91.09	91.18	91.24	91.33	91.39
EURINR (Nov)	91.25	91.32	91.40	91.46	91.54
GBPINR (Oct)	109.12	109.40	109.64	109.92	110.17
GBPINR (Nov)	109.16	109.42	109.70	109.96	110.25
JPYINR (Oct)	55.82	55.95	56.17	56.30	56.51
JPYINR (Nov)	56.57	56.57	56.59	56.59	56.61

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	103.49	103.83	-0.32%
US\$INR	84.07	84.07	0.00%
EURUSD	1.0867	1.0831	0.33%
EURINR	91.17	91.30	-0.14%
GBPUSD	1.3052	1.3011	0.32%
GBPINR	109.58	109.23	0.33%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.819	6.782	0.04
US	4.083	4.091	-0.01
Germany	2.183	2.208	-0.03
UK	4.056	4.089	-0.03
Japan	0.977	0.969	0.01

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
10/17/2024	8:30 PM	-2.2M	1.8M
10/9/2024	8:00 PM	5.8M	2.0M
10/2/2024	8:00 PM	3.9M	-1.5M
9/25/2024	8:00 PM	-4.5M	-1.3M
9/18/2024	8:00 PM	-1.6M	-0.2M
9/11/2024	8:00 PM	0.8M	0.9M
9/5/2024	8:30 PM	-6.9M	-0.6M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	284200	-3225	-1.12%
Aluminium	760350	-2500	-0.33%
Zinc	239025	-2775	-1.15%
Lead	194475	0	0.00%
Nickel	134370	48	0.04%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, October 21, 2024						
6:30 AM	China	1-y Loan Prime Rate	3.10%	3.15%	3.35%	Medium
6:30 AM	China	5-y Loan Prime Rate	3.60%	3.65%	3.85%	Medium
Tuesday, October 22, 2024						
6:55 PM	UK	BOE Gov Bailey Speaks	-	-	-	High
7:30 PM	US	Richmond Manufacturing Index	-	-	-21.00	Medium
Wednesday, October 23, 2024						
7:30 PM	Europe	ECB President Lagarde Speaks	-	-	-	Medium
7:30 PM	US	Existing Home Sales	-	-	3.86M	Medium
8:00 PM	US	Crude Oil Inventories	-	-	(-2.2)M	Medium
Thursday, October 24, 2024						
1:30 PM	Europe	Flash Manufacturing PMI	-	-	45.00	High
1:30 PM	Europe	Flash Services PMI	-	-	51.40	Medium
2:00 PM	UK	Flash Manufacturing PMI	-	-	51.50	High
2:00 PM	UK	Flash Services PMI	-	-	52.40	High
6:00 PM	US	Unemployment Claims	-	-	241k	High
7:15 PM	US	Flash Manufacturing PMI	-	-	47.30	High
7:15 PM	US	Flash Services PMI	-	-	55.20	High
7:30 PM	US	New Home Sales	-	-	716K	Medium
Friday, October 25, 2024						
1:30 PM	Europe	German ifo Business Climate	-	-	85.40	Medium
6:00 PM	US	Durable Goods Orders m/m	-	-	0.00%	Medium
7:30 AM	US	Revised UoM Consumer Sentiment	-	-	68.90	Medium



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