

August 9, 2024

# Daily Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	August	Buy	772-773	781	768	Intraday

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## News and Developments

- Spot gold prices rose yesterday gaining 1.80% while Silver gained more than 3.5% amid rise in safe haven demand due to escalating geopolitical tension in Middle East and growing expectations for a sizeable interest rate cut from the US Fed in September
- Dollar ended on positive note yesterday gaining 0.05% amid rise in US treasury yields and as data from US showed that unemployment benefits fell more than expected last week
- Job data showed there were 233,000 initial jobless claims last week, below the 240,000 expectations and down from 250,000 the week before
- US Treasury yields rose yesterday after unemployment claims data showed number of people filling for jobless claims declined, boosting confidence that the economy is less likely to face an imminent recession. Yield on benchmark US 10-year treasury note rose to 3.992% while 2-year treasury yield, which typically moves in step with interest rate expectations increase to 4.042%
- Crude oil prices settled higher yesterday gaining 0.8% amid larger than expected draw in US crude stockpiles and as job data from US eased concerns over demand. Further, escalating tension in Middle East helped prices to recover from 8<sup>th</sup> month low and end on positive note for 3<sup>rd</sup> consecutive session
- Copper prices ended on positive note yesterday gaining more than 1% on improved global market sentiments. Further, job data from US showed number of people filling for unemployment benefits fell more than expected last week, easing fears of imminent recession in world largest economy
- Natural gas prices rose after EIA reported that gas inventories rose 21 bcf, below expectations of 25 bcf and below the 5-year average for this time of year of 38 bcf

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	69704	1.07%	2427.53	1.87%
Silver	80613	2.17%	27.54	3.51%
Copper	774.2	0.42%	8794.50	0.29%
Aluminium	213.1	0.54%	2274.00	-0.61%
Zinc	251.4	2.65%	2646.00	2.50%
Lead	184.1	0.55%	1965.00	-0.13%
WTI Crude Oil	6422	1.50%	76.19	1.28%
US Nat Gas	179.6	1.93%	2.13	0.71%

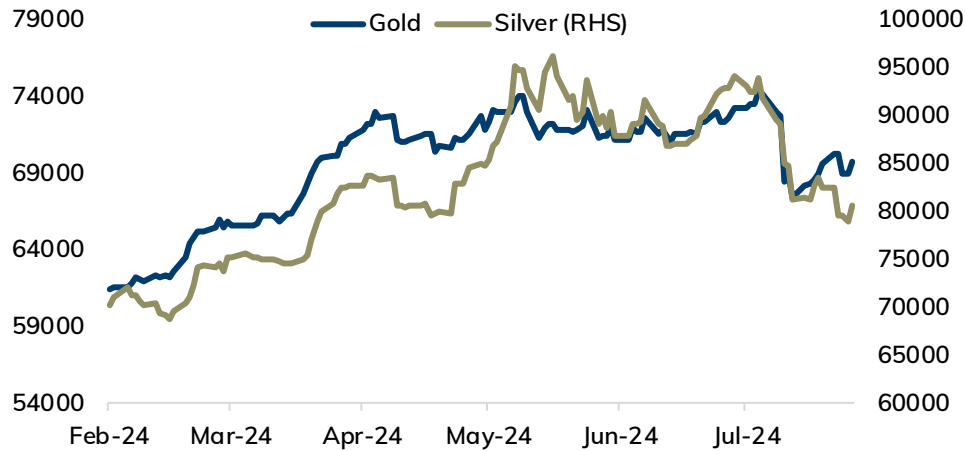
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th August)	84.00	0.00%	3158588	40074	506838	191684
EURINR (28th August)	91.76	-0.07%	23271	879	2077	707
GBPINR (28th August)	106.54	-0.27%	18099	-4540	6229	508

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	August	Sell	775-776	767	780	Profit booked

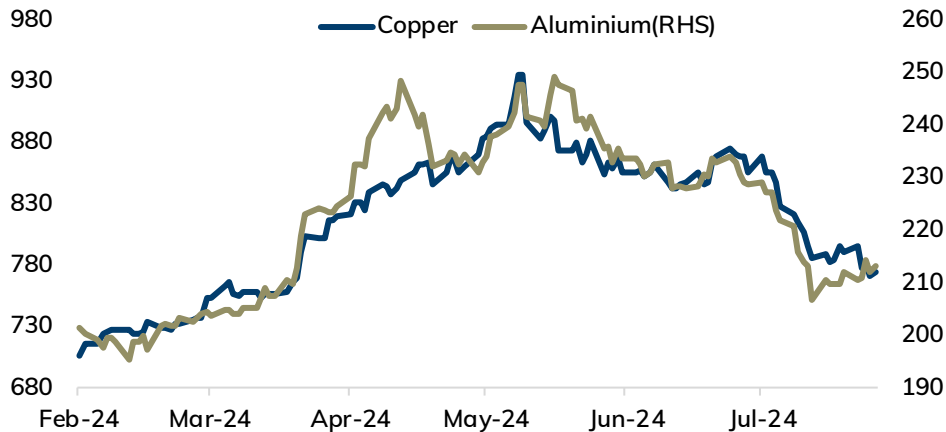
## MCX Gold vs. Silver



## Bullion Outlook

- Intl gold is expected to rise further towards \$2450 level amid expectation of correction in dollar and softening of US treasury yields across curve. Yields and dollar may ease on rising expectations for a considerable interest rate cut from the US Fed in September meeting. Moreover prices may rally as bullion is considered a hedge against geopolitical and economic uncertainties. Investors fear that Iran and its allies may retaliate and strike Israel for killing senior members of Hamas and Hezbollah. Higher OI concentration at call strike 2450 would act as stiff resistance, while on put side, the 2400 strike holds maximum open interest, providing support to the prices. Intl gold is expected to rise further towards \$2450 level (20-Day EMA) as long as it stays above \$2405 level (20-Day EMA)
- MCX Gold Oct is expected to rise further towards 70,300 level as long as it stays above 69,400 level
- MCX Silver September is expected to rise further towards 81,700 (10-Day EMA) level as long as it stays above 79,400 level

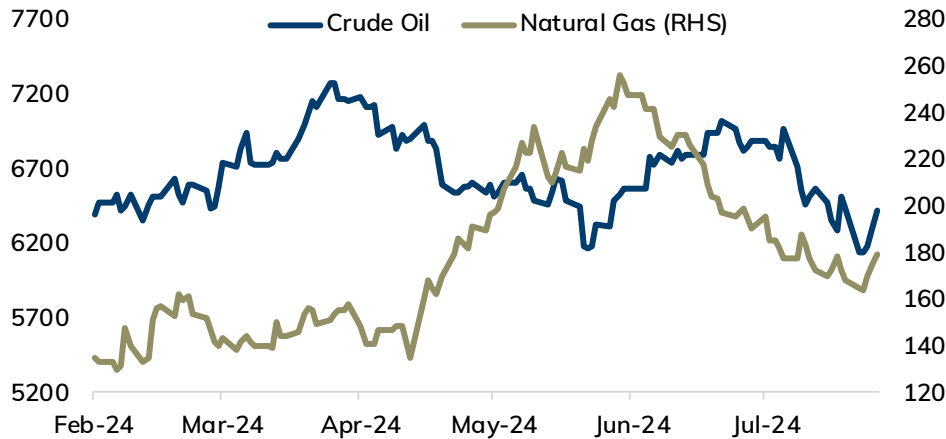
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade with positive bias amid rise in risk appetite in the global markets and expectations for larger interest rate cuts by the US Federal Reserve later this year. Additionally, China's Yangshan premium, an indicator of import demand, rose to \$55 per ton yesterday, indicating recovery in demand. Moreover, prices may move north on supply concern as potential strike at Escondida, the world's biggest copper mine, is still looming.
- MCX Copper Aug is expected to rise back towards 784 level as long as it stays above 768 level. A break above 784 level prices may rise further towards 789 level (10-day EMA)
- Aluminum is expected move north towards 215 level as long as it stays above 211 level. A break above 215 level prices may rise further towards 217 level

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$77.0 level on optimistic global market sentiments and supply concerns. Further, prices may rally on escalating tension in Middle East and as recent job data from US calmed demand concerns. Additionally, Libya's National Oil Corp. declared force majeure at its Sharara oilfield from Wednesday, company had gradually reduced the field's production because of protests. Further, higher OI concentration at put strike \$75 would act as strong support for the prices, while on call side rise in OI at strike \$77 would act as stiff resistance. NYMEX Crude oil is likely to rise towards \$77 level as long as it trades above \$75 level
- MCX Crude oil is likely to move north towards 6550 level as long as it stays above 6340 level (200-Day EMA)
- MCX Natural gas Aug is likely to rise towards 190 level as long as it stays above 172 level amid smaller than expected build in inventories for last week

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	68481	69093	69421	70033	70361
Silver	78031	79322	80041	81332	82051
Copper	764.7	769.4	772.7	777.4	780.7
Aluminium	209.4	211.2	212.3	214.1	215.1
Zinc	243.1	247.2	249.5	253.7	256.0
Lead	181.2	182.6	183.6	185.0	186.0
Crude Oil	6214	6318	6376	6480	6538
Nat Gas	166	173	178	185	190

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	83.94	83.97	84.01	84.04	84.07
US\$INR (Sep)	84.06	84.07	84.09	84.10	84.11
EURINR (Aug)	91.49	91.63	91.79	91.92	92.08
EURINR (Sep)	91.69	91.73	91.79	91.83	91.89
GBPINR (Aug)	106.30	106.42	106.58	106.71	106.87
GBPINR (Sep)	106.50	106.58	106.69	106.77	106.88
JPYINR (Aug)	57.04	57.32	57.60	57.87	58.15
JPYINR (Sep)	57.67	57.80	57.88	58.01	58.09

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	103.21	103.20	0.01%
US\$INR	83.96	83.95	0.01%
EURUSD	1.0919	1.0922	-0.03%
EURINR	91.75	91.62	0.14%
GBPUSD	1.2748	1.2692	0.44%
GBPINR	106.40	106.69	-0.27%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.878	6.863	0.00
US	3.988	3.943	0.01
Germany	2.268	2.268	0.00
UK	3.978	3.949	0.01
Japan	0.850	0.897	-0.05

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
7/10/2024	8:00 PM	-3.4M	0.7M
7/3/2024	8:00 PM	-12.2M	-0.4M
6/26/2024	8:00 PM	3.6M	-2.6M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	294425	-325	-0.11%
Aluminium	910950	-3500	-0.38%
Zinc	242025	-2350	-0.96%
Lead	213825	-4600	-2.11%
Nickel	111612	942	0.85%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, August 05, 2024						
2:00 PM	Europe	Sentix Investor Confidence	-13.9	-5.5	-7.3	Medium
7:30 PM	US	ISM Services PMI	51.4	51.4	48.8	High
Tuesday, August 06, 2024						
2:00 PM	UK	Construction PMI	55.30	51.00	52.20	Medium
6:00 PM	US	Trade Balance	(-73.1)B	(-72.5) B	(-75.1) B	Medium
Wednesday, August 07, 2024						
Tentitive	China	Trade Balance	84.7B	97.5B	99.1B	Medium
11:30 AM	Europe	German Trade Balance	20.4B	21.5B	24.9B	Medium
11:30 AM	Europe	German Industrial Production m/m	1.40%	1.00%	-2.50%	Medium
8:00 PM	US	Crude Oil Inventories	(-3.7)M	(-1.6)M	(-3.4)M	High
Thursday, August 08, 2024						
10:00 AM	India	RBI Interest Rate Decission	6.50%	6.50%	6.50%	High
6:00 PM	US	Unemployment Claims	233K	245K	249K	High
8:00 PM	US	Natural Gas Storage	21B	22B	74B	Medium
Friday, August 09, 2024						
7:00 AM	China	CPI y/y	0.50%	0.30%	0.30%	Medium
7:00 AM	China	PPI y/y	-0.80%	-0.90%	-0.80%	Medium
11:30 AM	Europe	German Final CPI m/m		0.3%	0.3%	Medium



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