

April 5, 2024

# Daily Currency & Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	April	Sell	150-150.50	144	154	Intraday

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## News and Developments

- Spot Gold prices in the early part of the session hit another record high of \$2305 as investors mull day-prior comments from Federal Reserve chair Jerome Powell, but gave up all of its gains in the later part. Gold closed lower yesterday for the first time in eight sessions losing 0.46%
- Dollar index ended on the negative note yesterday amid weaker than expected economic data from US. US weekly jobless claims rose more than expected to a 2-month high and US Feb trade deficit jumped to a 10-month high. Meanwhile, sharp downside was cushioned on hawkish comments from Fed officials. Minneapolis Federal Reserve President Neel Kashkari said rate cuts might not be required this year if inflation continues to stall
- US Jobless claims rose +9,000 to a 2-month high of 221,000, signaling a weaker labor market. US trade deficit for February came around -\$68.9 billion, wider than expectations of -\$67.6 billion.
- US Treasury yields slipped further after job data from US showed crack in labor market, supporting expectations of interest rate cut by Fed some time in this year. Yield on benchmark US 10-year treasury note slipped to 4.313% and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower to 4.650%
- Following data from US and comments from Fed officials, the US rate futures market has priced in a 59% chance of a rate cut in June, down from 61.8% as day ago, according to CME FedWatch tool
- Crude oil prices ended on the positive note gaining 1.4% yesterday amid weak dollar and mounting geopolitical tension. Investors fear that Iran retaliatory strike against Israel could be imminent and possibly disrupt oil supply.
- Copper prices rallied to their highest in over 14 months amid weakness in dollar

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	70037	0.37%	2290.94	-0.39%
Silver	79984	1.23%	26.91	-0.99%
Copper	803.2	1.58%	9359.00	1.04%
Aluminium	222.9	1.87%	2444.50	0.64%
Zinc	233.7	3.91%	2645.50	3.83%
Lead	185.9	3.16%	2139.00	2.74%
WTI Crude Oil	7123	-0.54%	86.59	1.36%
US Nat Gas	149.5	-3.73%	1.77	-3.64%

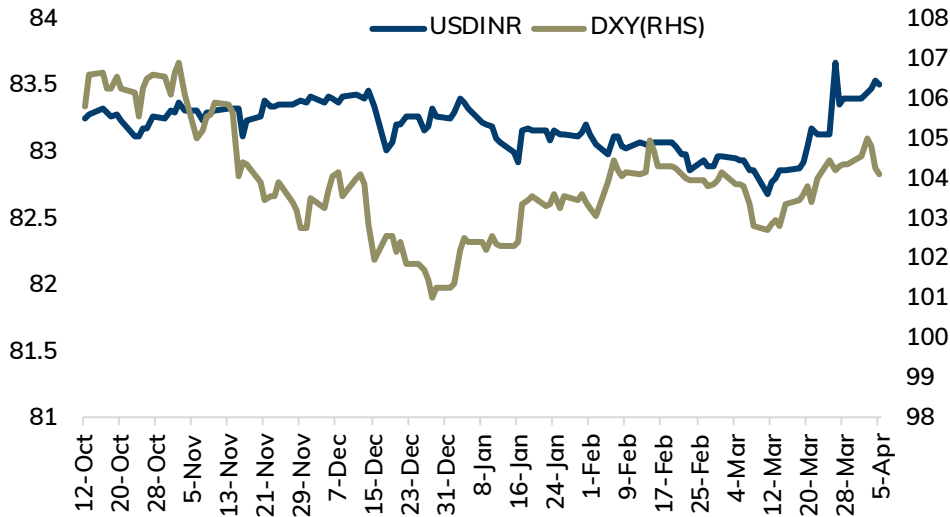
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.51	-0.04%	2245727	-896743	1834809	-1143209
EURINR (26th Apr)	90.67	0.49%	43726	-20825	29791	-84400
GBPINR (26th Apr)	105.34	0.06%	56059	-58531	63771	-66662

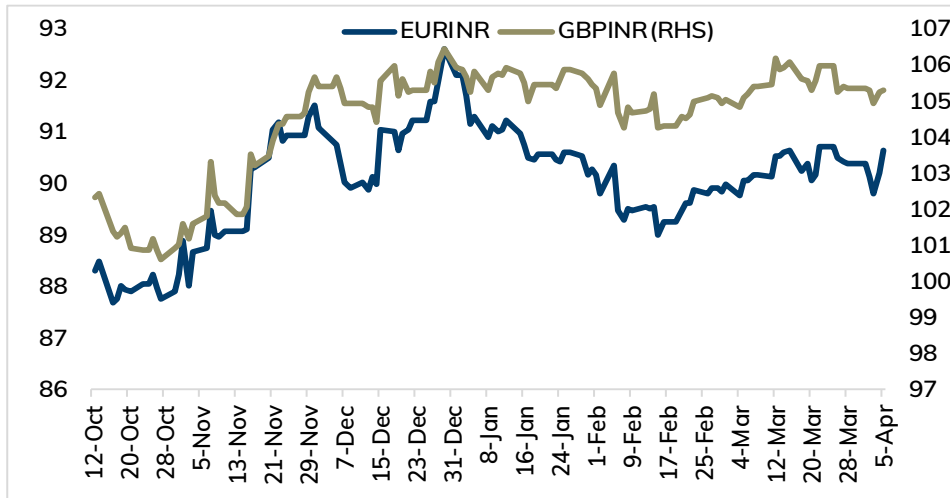
## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	April	Buy	152.50-153	161	148	Stoploss Triggered

## Dollar Index vs. US\$INR



## EURINR vs. GBPINR



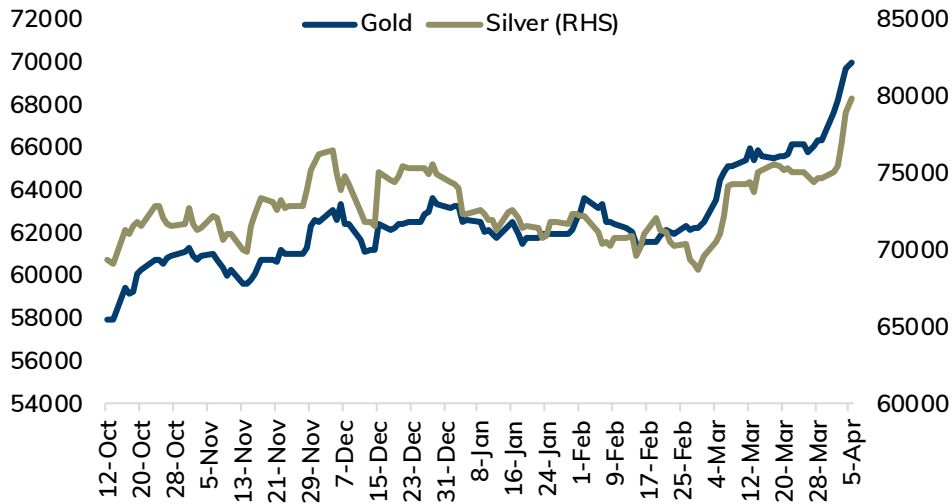
## Rupee Outlook

- Rupee ended on a weaker note yesterday amid dollar demand from importers. Further, rupee slipped on rising crude oil prices to their highest levels since October following escalating geopolitical tension in Middle East and Eastern Europe
- Rupee is likely to appreciate today buoyed by softness in dollar and decline in US treasury yields. Yields slipped after data showed moderation in labor market conditions, boosting market expectations that the Federal Reserve will start cutting interest rates in June. Additionally, investors will remain cautious ahead of US Non-Farm Payrolls data to get fresh cues on rate trajectory. Meanwhile, RBI in its monetary policy is expected to keep interest rate unchanged for 7<sup>th</sup> consecutive time, more focus will be on statement to get cues on policy path. USDINR April likely to slip towards 10-Day EMA around 83.35 levels as long as it sustains below 83.60 level.

## Euro and Pound Outlook

- Euro rose marginally by 0.01% yesterday amid soft dollar and an upward revision in the Eurozone S&P Composite PMI to a 10-month high. For today, EURUSD is likely to rise back towards 1.0870 level as long as it holds the support near 1.0800 level amid weakness in dollar and expectation of improved economic data from euro zone. EURINR April may further rise towards 90.90 level as long as it trades above 10-day EMA around 90.30 levels.
- Pound is expected to slip further towards 200-day EMA around 1.2560 level as long as its stays below 50-day EMA of 1.2670 level. Pound may show weakness on expectation disappointing economic data from Britain and pessimistic global market sentiments. GBPINR April is likely to move south towards 105.0 level as long as it stays below 105.60 levels.

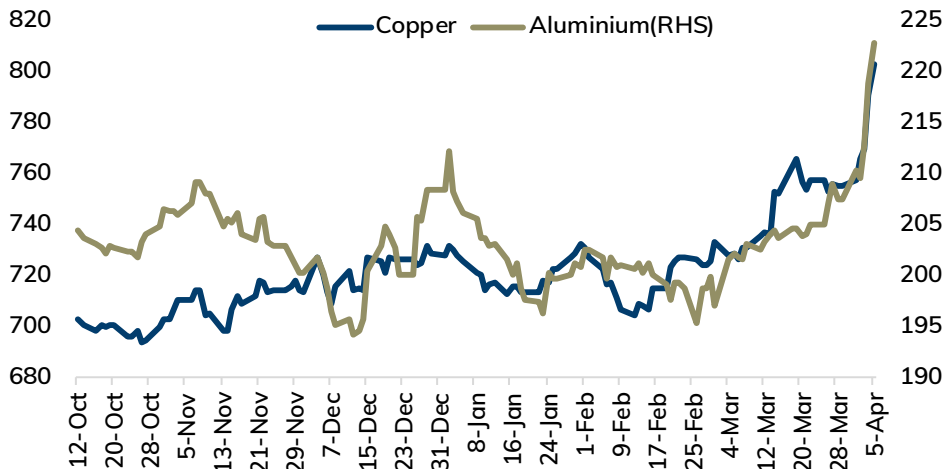
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to hit a pause after rising to historic highs. Prices may correct further towards 10-day EMA around \$2250 level as long as it stays below \$2290 levels amid hawkish comments from Fed officials. Meanwhile, prices are unlikely to go beyond \$2250 level ahead of job data from US as it could shed more light on the timing of the Fed's first rate cut. Market estimate 200,000 new jobs were added in March, down slightly from the 275,000 in February. Moreover, mounting geopolitical tensions in Middle East and Eastern Europe will keep bullion's safe haven demand intact.
- MCX Gold June prices is likely to face hurdle near 70,200 level and slip back towards 69,100 level. A close below 69,100 would open the doors for 68,500 level. Moreover, 14-day RSI lies in the overbought zone near 84, suggesting corrective pullback
- MCX Silver May is expected to slip towards 78,000 level as long as it sustains below 79,300 level.

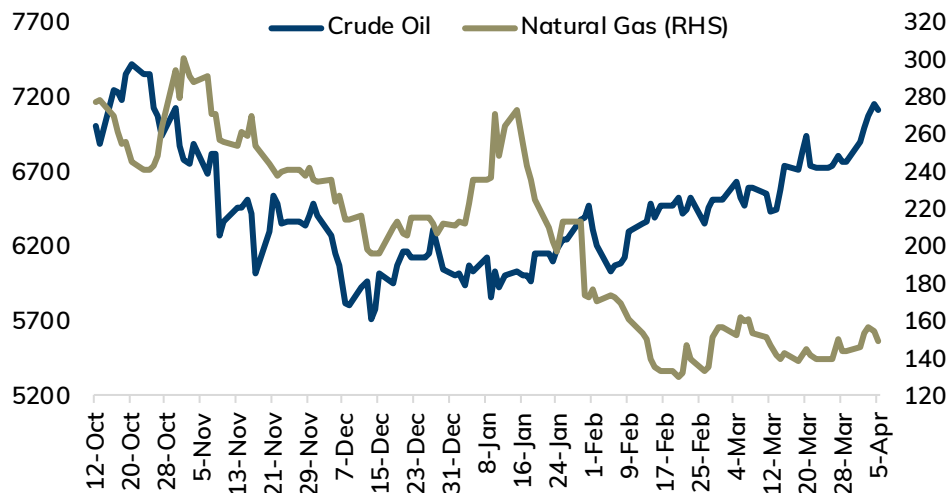
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices expected to hit a pause on its upward momentum and scale back from its 14<sup>th</sup> month high amid risk aversion in the global markets. Further, investors will remain cautious ahead of slew of economic data from major nations to gauge economic health of the countries. Meanwhile, sharp downside may be cushioned on prospect of global recovery in demand and potential production cuts by China's biggest refiners, tighter outlook for supplies
- MCX Copper is expected to move south towards 780 level as long as it stays below 800 level. A break below 780 would open doors for 772 levels (10-Day EMA)
- Aluminum is expected to slip towards 218 level as long as it remains below 222 level

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$87.50 levels as long as it hold the support near \$85.50 levels on escalating geopolitical tensions and concerns of lower supply as major producers are keeping output cuts in place. As per media reports Israeli embassies across the world have been placed on high alert due to increasing threats of an Iranian attack on Israeli diplomats. Additionally, US Secretary of State Antony Blinken said that Ukraine will eventually join NATO as support for the country remains rock solid among member states. However, investors will keep an eye on economic data from major countries for clues on the outlook for oil demand
- MCX Crude oil is likely to rise towards 7300 levels as long as it trades above 7050 levels. A sustain break above 7300 level would open doors for 7380 levels
- MCX Natural gas April is expected to slip further towards 143 level as long as it stays below 154 level

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	69496	69766	70021	70291	70546
Silver	78728	79356	79727	80355	80726
Copper	790.4	796.8	800.6	807.0	810.8
Aluminium	216.4	219.6	221.7	224.9	227.0
Zinc	221.7	227.7	231.1	237.1	240.5
Lead	177.6	181.7	184.1	188.3	190.7
Crude Oil	7013	7068	7115	7170	7217
Nat Gas	142	146	151	154	159

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	83.40	83.45	83.49	83.54	83.58
US\$INR (May)	83.52	83.55	83.61	83.64	83.70
EURINR (Apr)	90.16	90.42	90.57	90.83	90.98
EURINR (May)	90.12	90.44	90.62	90.95	91.13
GBPINR (Apr)	103.58	104.46	105.08	105.96	106.58
GBPINR (May)	104.93	105.28	105.61	105.96	106.30
JPYINR (Apr)	52.30	53.59	54.57	55.86	56.84
JPYINR (May)	55.31	55.48	55.66	55.83	56.02

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.12	104.25	-0.12%
US\$INR	83.45	83.44	0.01%
EURUSD	1.0837	1.0836	0.01%
EURINR	90.60	89.84	0.85%
GBPUSD	1.2642	1.2652	-0.08%
GBPINR	105.68	104.90	0.75%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.093	7.103	-0.01
US	4.309	4.347	-0.0378
Germany	2.361	2.395	-0.034
UK	4.021	4.056	-0.035
Japan	0.788	0.796	-0.008

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
03-04-2024	8:00 PM	3.2M	-0.3M
27-03-2024	8:00 PM	3.2M	-0.7M
20-03-2024	8:00 PM	-2.0M.	-0.9M
13-03-2024	8:00 PM	-1.5M	0.9M
06-03-2024	9:00 PM	1.4M	2.4M
28-02-2024	9:00 PM	4.2M	3.1M
22-02-2024	9:30 PM	3.5M	3.9M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	112525	-450	-0.40%
Aluminium	536850	-4500	-0.83%
Zinc	261975	-2225	-0.84%
Lead	274525	-1400	-0.51%
Nickel	77748	144	0.19%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 01, 2024						
7:30 PM	US	ISM Manufacturing PMI	50.3	48.5k	47.8k	High
Tuesday, April 2, 2024						
All Day	Europe	German Prelim CPI m/m		0.40%	0.40%	High
1:30 PM	Europe	Final Manufacturing PMI	46.1	45.70	45.70	Medium
2:00 PM	UK	Final Manufacturing PMI	50.3	49.90	49.90	Medium
7:30 PM	US	JOLTS Job Openings	8.76M	8.79M	8.86M	High
9:30 PM	US	FOMC Member Mester Speaks	-	-	-	Medium
Wednesday, April 3, 2024						
2:30 PM	Europe	CPI Flash Estimate y/y	2.40%	2.50%	2.60%	Medium
2:45 PM		OPEC-JMMC Meetings		-	-	Medium
5:45 PM	US	ADP Non-Farm Employment Change	184k	149k	140k	High
7:30 PM	US	ISM Services PMI	51.7	52.70	52.60	High
8:00 PM	US	Crude oil Inventories	3.2M	-	(-2.0)M	Medium
9:20 PM	US	Fed Chair Powell Speaks	-	-	-	High
Thursday, April 4, 2024						
1:30 PM	Europe	Final Services PMI	51.5	51.1	51.1	Medium
2:00 PM	UK	Final Services PMI	53.1	53.4	53.4	Medium
6:00 PM	US	Unemployment Claims	221K	214k	210k	High
Friday, April 5, 2024						
10:00 AM	India	RBI Interest rate decision		6.50%	6.50%	High
6:00 PM	US	Average Hourly Earnings m/m		0.30%	0.10%	High
6:00 PM	US	Non-Farm Employment Change		205k	275k	High
6:00 PM	US	Unemployment Rate		3.90%	3.90%	High



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