

April 16, 2024

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	May	Buy	7070-7080	7220	6990	Intraday

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News and Developments

- Spot Gold prices recovered from its earlier losses and closed moderately higher on increased safe haven buying. Earlier prices moved lower amid increasing hopes of de-escalation in the Iran-Israel conflict. Further strong dollar and higher treasury yields also checked its gains.
- Dollar index extended its up move and rally above the 106 mark after US retail sales rose more than expected last month. US retail sales last month rose by 0.7% in March against market expectation of 0.4% rise, suggesting strong growth in the US.
- Yields on benchmark US 10-year treasury hit its highest level since November amid diminishing prospects of rate cut in June. Hotter than expected retail sales numbers pushed the 10 year yields to 4.62% and 2-year treasury yield to 4.93%.
- Crude oil prices traded lower today amid hopes of de-escalation in the Iran-Israel conflict. Further, rally in the US dollar index to a 5-month high also weighed on the oil prices.
- Copper prices rose more than 1% amid supply concerns and expectation of fresh round of stimulus in China. Further, rise in import of unwrought copper in March by 16% also supported the metal to trade higher.
- Aluminium prices hit 22-month high on Monday after US and UK banned the LME and CME from accepting new Russian production of the metal.
- Natural gas prices lost more than 4% amid forecast of lower demand as gas flow to the seven major US LNG export plants declined to 12.3 bcf/d so far in April against 13.1 bcf/d in March.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	72277	0.60%	2383.34	1.66%
Silver	83851	1.25%	28.87	3.57%
Copper	831.3	1.31%	9576.00	1.25%
Aluminium	232.5	2.65%	2555.00	2.45%
Zinc	244.8	-0.59%	2774.50	-1.91%
Lead	188.6	0.37%	2185.00	0.39%
WTI Crude Oil	7115	-1.00%	85.41	-0.29%
US Nat Gas	141.3	-4.85%	1.69	-4.46%

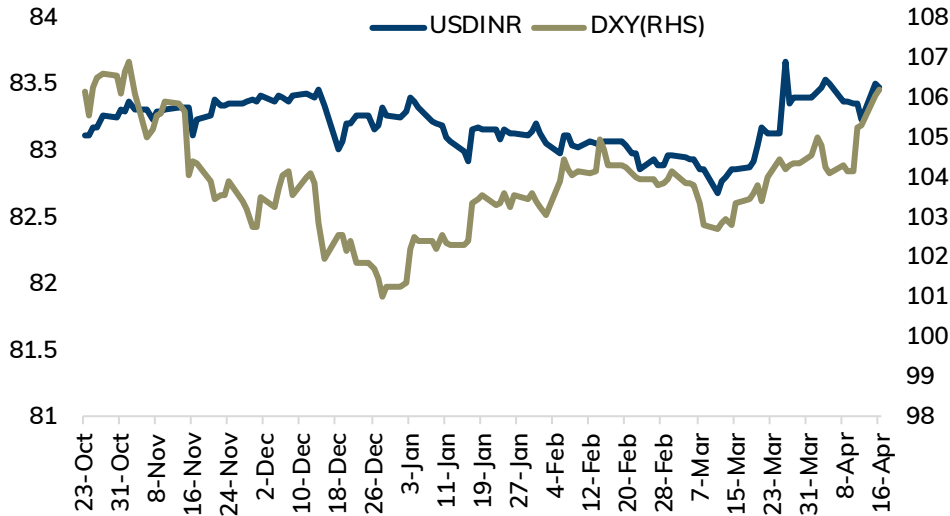
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.47	-0.04%	2458120	1431	520585	-39861
EURINR (26th Apr)	89.05	-0.01%	35504	-3482	11041	-25134
GBPINR (26th Apr)	104.32	0.13%	44208	-2127	8747	-32854

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	April	Buy	823-824	836	816	Profit Booked

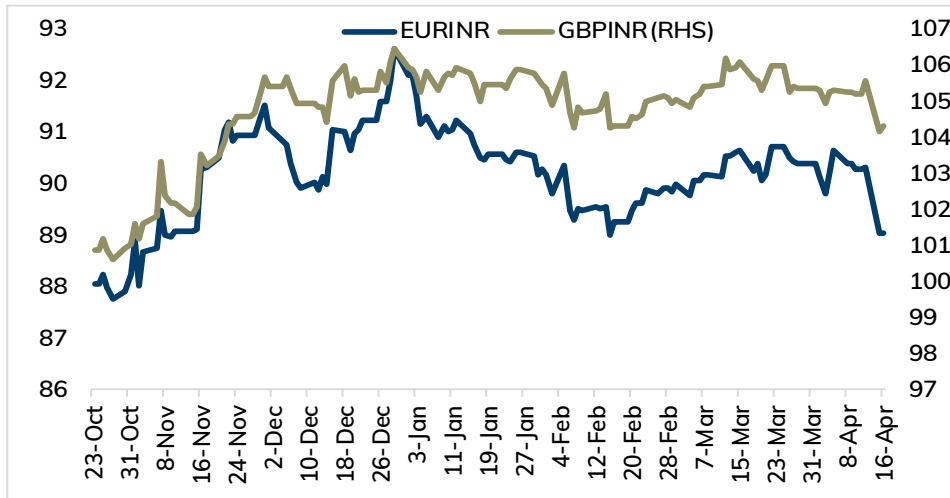
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee ended on a negative note yesterday falling to its weakest level on record on strong dollar and escalating tension in Middle East
- Rupee is likely to depreciate today due to strong dollar and rise in US treasury yields. Dollar and Yields are moving north as stronger than expected retail sales data from US reinforced expectations that US Federal Reserve could delay its first interest rate cut this year. Market now expects first rate cut to happen in September and also expect central bank to make fewer cuts than previously estimated. Moreover, rupee may slip on risk aversion in the global markets and surge in crude oil prices amid escalating tension in Middle East. Additionally, investors will remain vigilant ahead of US Fed Chair Powell speech to get fresh cues on rate trajectory. USDINR April likely to hold the support near 83.38 (10-Day EMA) and rise towards 83.58 level.

EURINR vs. GBPINR



Euro and Pound Outlook

- Euro slipped by 0.13% yesterday and posted 5-month low amid strong dollar and pessimistic global market sentiments. Further, euro slipped as several ECB policymakers expressed their support for interest rate cut in June. For today, EURUSD is likely to slip further towards 1.0570 level as long as it trades below 1.0660 levels amid firm dollar, risk aversion in the global markets and divergence in monetary policy. Meanwhile, expectation of improved economic data from euro zone may prevent sharp fall in single currency. EURINR April is likely to move further south towards 88.60 levels as long as it trades below 89.15 levels
- Pound is expected to slip towards 1.2370 levels as long as it trades below 1.2450 levels amid strong dollar. Further, investors will remain cautious ahead of labor data to determine how soon BoE will cut interest rates. Additionally, market is also watching commentary from BoE officials. GBPINR April is likely to slip further towards 103.60 level as long as it stays below 104.35 level

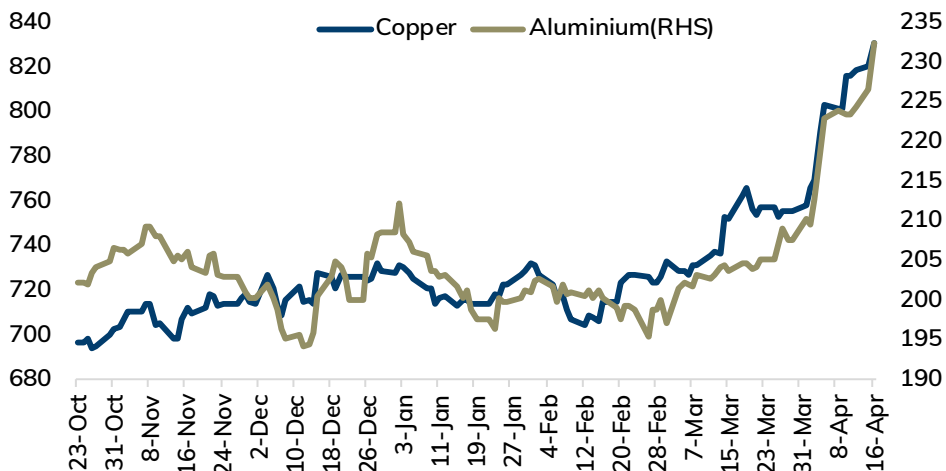
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to hold its gains and trade with the positive bias amid safe haven buying. Now, investors await response from Israel on Iran attacks. Any retaliatory action from Israel on Iran could support the bullions and push prices beyond the \$2400 mark. Meanwhile, expectation of improved economic numbers from US could check its upside. Further, focus will also remain on the Fed Chair Powell's speech which could give more clarity on the timing of first rate cut.
- MCX Gold June is likely to rise further towards 73,000 level as long as it stays above the 5 day SMA support at 71,600 level. A move above 73,200 level it may push the price towards 73,600 level. On the contrary, close below 71,600 level it may correct towards its immediate support of 71000 level.
- MCX Silver May is expected to rise towards 84,500 level as long as it sustains above 82,800 level. Supply concerns would provide strength to the precious metal.

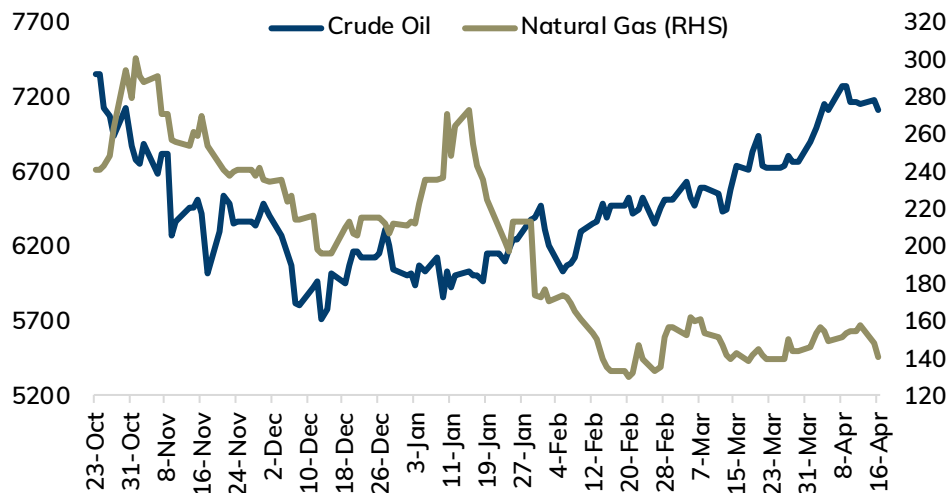
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with positive bias amid tightness in the physical market and lower exchange inventory in China. Worries about supply disruption after the recent sanction on Russian supplies of copper and aluminum would support the base metals to hold their gains. Additionally, China's economy grew faster than expected in the first quarter of 2024. GDP in Jan-Mar period grew 5.3% compared to year ago.
- MCX Copper is expected to find the floor near 5 day SMA at 822 and move north towards 836. A break above 836 would open doors for 844 levels.
- Aluminum is expected to hold the support at 226 and move higher towards 236. Only close below 226 it would turn weaker towards 221 mark.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to trade higher amid heightened tension in the Middle East. Recent attack by Iran on Israel has caused a major threat to supply from the Middle East nations. Meanwhile, focus will shift on the retaliatory action from Israel which could lead to further escalation in the region and disrupt oil supplies from the region. Meanwhile, strong dollar and expectation of higher for longer interest rates by the Fed would limit any major upside in oil prices.
- MCX Crude oil is likely to rise back towards 7250 levels as long as it trades above 7000 levels. Only close below 7000, it would turn weaker.
- Natural gas is expected to remain under pressure amid higher inventory and forecast of less demand due to warm US spring temperature. MCX April futures is expected to face the hurdle near 150 and trade lower towards 136.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70782	71529	71948	72695	73114
Silver	82332	83091	83558	84317	84784
Copper	814.4	822.9	828.6	837.0	842.7
Aluminium	225.9	229.2	233.7	237.0	241.5
Zinc	234.6	239.7	244.5	249.5	254.3
Lead	186.3	187.5	188.3	189.4	190.2
Crude Oil	6966	7041	7103	7178	7240
Nat Gas	136	138	144	147	152

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	83.36	83.41	83.45	83.50	83.54
US\$INR (May)	83.46	83.51	83.55	83.60	83.63
EURINR (Apr)	88.90	88.98	89.04	89.12	89.18
EURINR (May)	88.99	89.17	89.31	89.49	89.63
GBPINR (Apr)	103.88	104.10	104.22	104.44	104.56
GBPINR (May)	103.76	104.16	104.41	104.81	105.06
JPYINR (Apr)	53.97	54.13	54.41	54.57	54.85
JPYINR (May)	54.72	54.84	55.07	55.20	55.43

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	106.21	106.04	0.16%
US\$INR	83.45	83.42	0.04%
EURUSD	1.0624	1.0643	-0.18%
EURINR	88.92	88.93	-0.02%
GBPUSD	1.2446	1.2452	-0.05%
GBPINR	104.19	104.26	-0.07%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.178	7.179	-0.001
US	4.601	4.522	0.0798
Germany	2.440	2.359	0.081
UK	4.241	4.137	0.104
Japan	0.864	0.855	0.009

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
10-04-2024	8:00 PM	5.8M	0.9M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	123475	-950	-0.76%
Aluminium	521600	-1500	-0.29%
Zinc	258475	0	0.00%
Lead	271525	0	0.00%
Nickel	75534	18	0.02%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 15, 2024						
2:30 PM	Europe	Industrial Production m/m	0.80%	0.80%	-3.20%	Medium
6:00 PM	US	Retail Sales m/m	0.70%	0.40%	0.60%	High
6:00 PM	US	Empire State Manufacturing Index	-14.3	-5.2	-20.9	High
Tuesday, April 16, 2024						
7:30 AM	China	Industrial Production y/y	4.50%	6.00%	7.00%	High
7:30 AM	China	GDP q/y	5.30%	4.80%	5.20%	Medium
11:30 AM	UK	Claimant Count Change		17.2k	16.8k	High
11:30 AM	UK	Average Earnings Index 3m/y		5.50%	5.60%	Medium
6:00 PM	US	Building Permits		1.51M	1.52M	Medium
6:00 PM	US	Industrial Production m/m		0.40%	0.10%	Medium
10:45 PM	US	Fed Chair Powell Speaks		-	-	High
Wednesday, April 17, 2024						
11:30 AM	UK	CPI y/y		3.10%	3.40%	High
2:30 PM	Europe	Final CPI y/y		2.40%	2.40%	Medium
8:00 PM	US	Crude Oil Inventories		-	5.8M	Medium
9:30 PM	UK	BOE Gov Bailey Speaks		-	-	High
Thursday, April 18, 2024						
6:00 PM	US	Unemployment Claims		214k	211k	Medium
7:30 PM	US	Existing Home Sales		4.20M	4.38M	Medium
Friday, April 19, 2024						
11:30 AM	UK	Retail Sales m/m		0.30%	0.00%	High



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