

September 18, 2024

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	October	Sell	5880-5900	5700	5980	Intraday

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## News and Developments

- Bullion prices edged lower on Tuesday amid rebound in the US dollar index and rise in treasury yields. Better than expected US retail sales numbers in August which rose by 0.1% MoM supported the dollar recovery and forced the investors to book profit in the bullions ahead of the FOMC meeting.
- Dollar index rebounded from its 3-week lows and edged higher on signs of US economic strength. Better than expected US economic numbers has supported the dollar. US retail sales numbers rose by 0.1% last month and industrial production also rose by 0.8% against previous reading of -0.9% and the largest increase in last 6-months.
- US treasury yields took a pause in its decline and managed to trade higher ahead of the key FOMC meeting on Wednesday. Higher probability of 50 bps interest rate cut by the Fed has checked its upside. As per CME Fed-watch tool the likelihood of 50 bps interest rate cut has gone up to 67% from 62% a day ago.
- NYMEX crude oil prices moved higher as stronger than expected US economic data indicated strength in the economy. Further, supply disruption of crude oil supplies from Libya also pushed oil prices to move above \$70 mark. Improved risk sentiments amid increasing odds of lower interest rates from major central banks has strengthened its rally. Moreover renewed tension in the Middle East also pushed oil prices higher
- Base metals remained in a tight range as most investors remained cautious ahead of the key FOMC meeting. Further, holiday closure in China this week is also causing a choppy movement in the base metal sector.
- NYMEX natural gas retreated from 2-month high amid improved output after Hurricane Francine. Further, forecast of cooler US temperature also checked its upside.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	73094	-0.55%	2569.50	-0.50%
Silver	89140	-0.52%	30.70	-0.10%
Copper	808.0	-0.17%	9370.00	-0.21%
Aluminium	230.0	-0.80%	2524.00	-0.18%
Zinc	267.5	-0.93%	2926.00	-0.68%
Lead	183.0	-0.79%	2018.00	-1.01%
WTI Crude Oil	5902	1.43%	71.19	1.57%
US Nat Gas	196.5	-1.45%	2.32	-2.06%

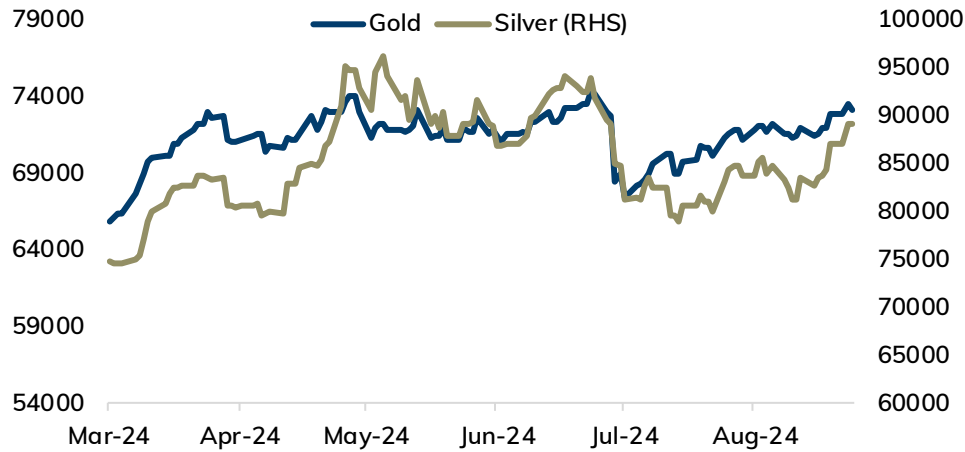
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th September)	83.81	-0.14%	2534099	-938	180060	104348
EURINR (26th September)	93.29	0.03%	40166	-425	1404	-40
GBPINR (26th September)	110.64	-0.08%	48274	-663	2678	576

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	October	Buy	73200-73250	73850	72900	Exit in Loss

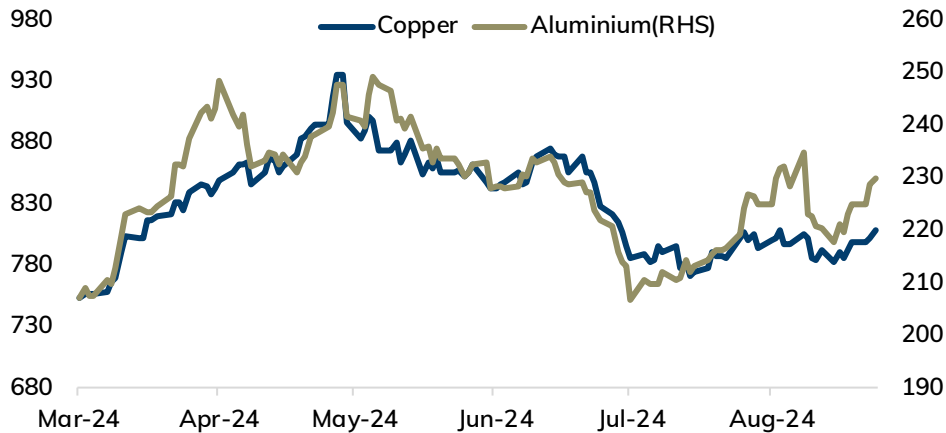
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to hold its ground near \$2550 and move towards \$2600 mark amid growing prospects of big rate cut this week. As per the CME Fed watch toll the probability of 50 bps rate cut has gone up to 67%. Meanwhile, all focus will remain on the policy outcome later in the day, where central bank would provide its quarterly economic projections and dot plot. We expect gold prices to consolidate in the broad range of \$2550-\$2600. Fund buying would provide support to the bullions. Increasing OI at ATM and OTM put strikes indicates strong support for the yellow metal near \$2550.
- MCX Gold Oct is expected to hold the support near 72,800 and rise towards 73,600. Only a move below 72,800 it would slide towards 72,300.
- Spot silver has to move beyond \$31.20 to bring fresh buying interest in the metal, else it is expected to move in the band \$30.20 and \$31.20. MCX Silver is expected to face the hurdle near 90,400 and move towards 88,000. Below 88,000 it can test 87,200.

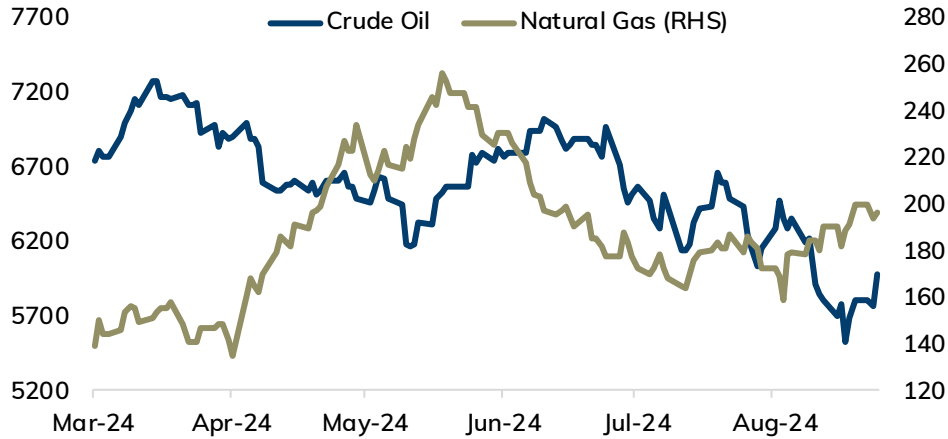
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to move in a tight range ahead of the key economic event. Disappointing economic numbers from China and higher inventory level in LME would restrict the upside in the metal. On the other hand, improved risk sentiments amid growing prospects of 50 bps interest rate cut by the US Federal Reserve would provide support to prices. Additionally, increasing hopes of fresh round of stimulus from China to achieve its growth target would prove positive for prices.
- MCX Copper September is expected to face the hurdle near 815 and move lower towards 802. A move below 802 would weaken it towards 798.
- MCX Aluminium is expected to face the resistance at 234 and move towards 229. Only below 229 it would turn weaker..

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to face the hurdle near \$72 mark and trade lower amid demand concerns and unexpected rise in API inventory last week. API crude oil inventory has jumped by 1.96 Million barrels despite the disruption caused by Hurricane Francine. The unexpected build indicates limited actual disruption to production and supplies. Meanwhile, prices could find support amid improved risk sentiments and growing prospects of a 50 bps interest rate cut by the US Fed. Supply disruption from Libya and escalating tension in the Middle Eats would also provide some support to price. On the upside \$72 would act as major resistance for price. Similarly \$68 would act as strong support for prices.
- MCX Crude oil October is likely to face the resistance near 5980 and move lower towards 5700. A move below 5700 would open the downside towards 5600.
- MCX Natural gas September is expected to dip towards 190, as long as it trades under 204.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	72550	72822	73210	73482	73870
Silver	88271	88705	89312	89746	90353
Copper	800.8	804.4	808.9	812.5	817.1
Aluminium	227.4	228.7	231.0	232.3	234.6
Zinc	263.6	265.6	268.9	270.9	274.2
Lead	180.2	181.6	183.4	184.8	186.6
Crude Oil	5602	5752	5845	5995	6088
Nat Gas	190	193	199	202	207

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	83.63	83.72	83.82	83.91	84.01
US\$INR (Oct)	83.76	83.85	83.93	84.02	84.11
EURINR (Sep)	93.17	93.23	93.31	93.37	93.46
EURINR (Oct)	93.21	93.27	93.37	93.43	93.53
GBPINR (Sep)	110.51	110.57	110.70	110.76	110.89
GBPINR (Oct)	110.52	110.59	110.69	110.76	110.86
JPYINR (Sep)	59.35	59.46	59.65	59.75	59.95
JPYINR (Oct)	59.45	59.56	59.78	59.89	60.11

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	100.89	100.76	0.13%
US\$INR	83.76	83.89	-0.16%
EURUSD	1.1114	1.1133	-0.17%
EURINR	93.30	93.33	-0.03%
GBPUSD	1.3161	1.3216	-0.42%
GBPINR	110.73	110.64	0.08%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.781	6.761	0.02
US	3.646	3.618	0.03
Germany	2.143	2.122	0.02
UK	3.768	3.759	0.01
Japan	0.829	0.848	-0.02

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
9/11/2024	8:00 PM	0.8M	0.9M
9/5/2024	8:30 PM	-6.9M	-0.6M
8/28/2024	8:00 PM	-0.8M	-2.7M
8/21/2024	8:00 PM	-4.6M	-2.0M
8/14/2024	8:00 PM	1.4M	-1.9M
8/7/2024	8:00 PM	-3.7M	-1.6M
7/31/2024	8:00 PM	-3.4M	-1.6M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	306500	-2050	-0.66%
Aluminium	813500	-3850	-0.47%
Zinc	247100	12950	5.53%
Lead	205000	30225	17.29%
Nickel	123726	-84	-0.07%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, September 16, 2024						
All Day	China	Bank Holiday	-	-	-	Medium
6:00 PM	US	Empire State Manufacturing Index	11.5	-4.1	-4.7	Medium
Tuesday, September 17, 2024						
All Day	China	Bank Holiday	-	-	-	Medium
2:30 PM	Europe	German ZEW Economic Sentiment	3.6	17.2	19.2	Medium
6:00 PM	US	Retail Sales m/m	0.10%	-0.20%	1.00%	High
6:45 PM	US	Industrial Production m/m	0.80%	0.10%	-0.60%	Medium
Wednesday, September 18, 2024						
11:30 AM	UK	CPI y/y	-	2.20%	2.20%	High
6:00 PM	US	Building Permits	-	1.41M	1.40M	Medium
8:00 PM	US	Crude Oil Inventories	-	-	0.8M	Medium
11:30 PM	US	Federal Funds Rate	-	5.25%	5.50%	High
11:30 PM	US	FOMC Economic Projections	-	-	-	High
Thursday, September 19, 2024						
4:30 PM	UK	Official Bank Rate	-	5%	5%	High
6:00 PM	US	Unemployment Claims	-	232K	230K	High
6:00 PM	US	Philly Fed Manufacturing Index	-	-0.6	-7	Medium
7:30 PM	US	Existing Home Sales	-	3.89M	3.95M	Medium
8:00 PM	US	Natural Gas Storage	-	-	40B	Medium
Friday, September 20, 2024						
6:30 AM	China	1-y Loan Prime Rate	-	3.35%	3.35%	Medium
6:30 AM	China	5-y Loan Prime Rate	-	3.85%	3.85%	Medium
Tentative	Japan	BOJ Policy Rate	-	<0.25%	<0.25%	High
11:30 AM	UK	Retail Sales m/m	-	0.40%	0.50%	High



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