

March 12, 2024

Daily Currency & Commodities Outlook

Daily Recommendations

| Commodity/Index | Expiry | Action | Entry | Target | Stop Loss | Time Frame |
|-----------------|--------|--------|-------------|--------|-----------|------------|
| Natural Gas | March | Sell | 150-151 | 144 | 154 | Intraday |
| EURINR | March | Buy | 90.45-90.46 | 90.75 | 90.30 | Intraday |

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News and Developments

- Spot gold prices ended on positive note yesterday and traded near its highest ever level ahead of inflation data from US that could provide more clarity on the Federal Reserve interest rate trajectory. Moreover, Gold prices moved north due to rise in demand for safe haven amid escalating tension in Middle East. Additionally, COMEX gold speculators raised their net long positions by 63,018 contracts to 131,060 in the week ended March 5, Reflecting bullish sentiment
- Dollar index recovered slightly yesterday on some short covering and rise in US treasury yields.
- As per CME Fedwatch tool, expectations for Fed to cut rate in June rose to 59.4% from 57.4% a day ago while, prospects of no rate cut increased to 28% from 26.6% a day ago
- US Treasury yields rebounded yesterday as investors consolidated positions ahead of slew of economic data. Yield on benchmark US 10-year treasury note rose to 4.10% and 2-year treasury yield, which typically moves in step with interest rate expectations edged higher to 4.538%.
- Crude oil prices edged higher yesterday as increase in US refining activity could tighten global crude supplies. Additionally, rise in US unemployment rate and moderation in wage gains kept anticipated June rate cut on table. Moreover, investors feared over supply disruption due to ongoing tension in Middle East
- Copper prices moved north amid lower inventories and signs of raw material supply tightness globally. Production by copper giant Codelco in Chile, the world's major producer of the metal, in January sank nearly 16% YoY
- Natural gas prices fell yesterday on forecasts of warm weather for the next two weeks, along with bulging inventories.

Price Performance

| Commodity | LTP (₹) | Change | LTP (\$) | Change |
|---------------|---------|--------|----------|--------|
| Gold | 66035 | 0.02% | 2182.75 | 0.17% |
| Silver | 74514 | 0.34% | 24.47 | 0.64% |
| Copper | 736.7 | 0.70% | 8653.00 | 0.86% |
| Aluminium | 203.2 | 0.32% | 2259.00 | 0.85% |
| Zinc | 223.4 | 1.06% | 2567.00 | 1.56% |
| Lead | 181.1 | 0.30% | 2126.00 | 1.02% |
| WTI Crude Oil | 6443 | -0.25% | 77.93 | -0.10% |
| US Nat Gas | 147.1 | -3.03% | 1.76 | -2.55% |

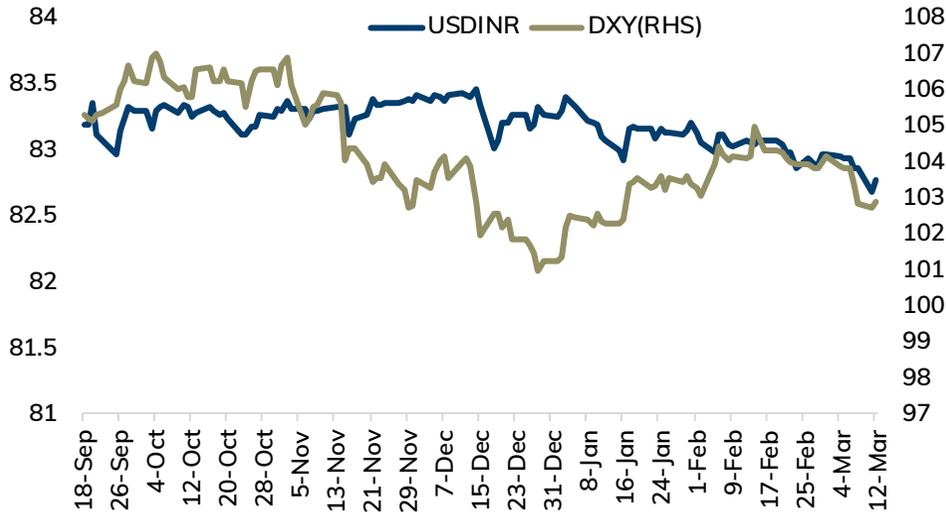
Domestic Currencies

| Futures | Close | % Change | Open Interest | Change in OI | Volume | Change in Vol |
|-------------------|--------|----------|---------------|--------------|---------|---------------|
| USDINR (26th Mar) | 82.77 | 0.11% | 3024773 | 227303 | 2212862 | 202537 |
| EURINR (26th Mar) | 90.54 | 0.44% | 134835 | 17046 | 138600 | 22871 |
| GBPINR (26th Mar) | 106.24 | 0.74% | 281018 | 42940 | 214578 | 78255 |

Daily Strategy Follow-up

| Commodity/Index | Expiry | Action | Entry | Target | Stoploss | Comment |
|-----------------|--------|--------|-------------|--------|----------|---------------|
| Gold Mini | April | Buy | 55550-65600 | 66250 | 65300 | Not Initiated |
| EURINR | March | Buy | 90.48-90.50 | 90.90 | 90.30 | Profit Booked |

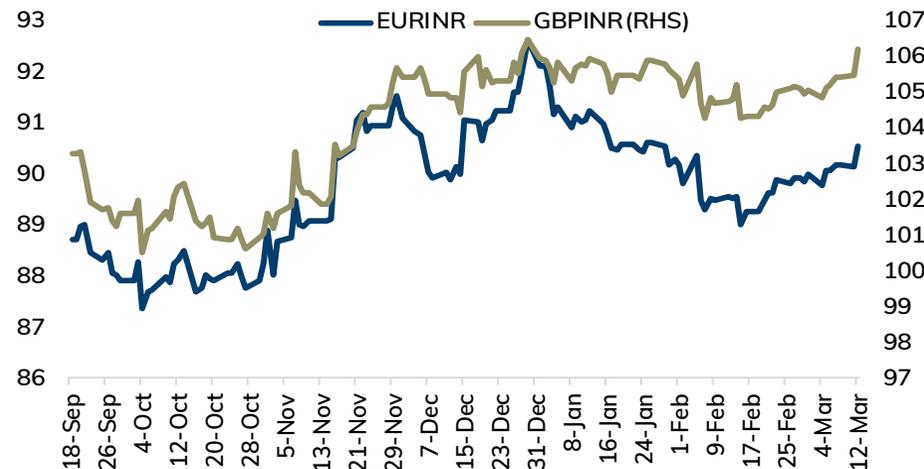
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee hit its highest level in last six month against the dollar amid strong inflows to the domestic market and softness in the dollar. It pared some of its gains yesterday as investors turned cautious ahead of the key inflation numbers from US.
- Rupee is likely to appreciate today amid expectation of correction in dollar and US treasury yields. US Dollar and Yields are likely to move south ahead of CPI data, which may give fresh cues on when the Federal Reserve is likely to begin cutting interest rates. Core-CPI is anticipated to show price pressure continued to ebb. Additionally, investors will also eye on domestic CPI numbers. Meanwhile, sharp gains may be prevented on pessimistic global market sentiments. USDINR March likely to face the hurdle near 82.90 levels and weaken towards 82.65 levels

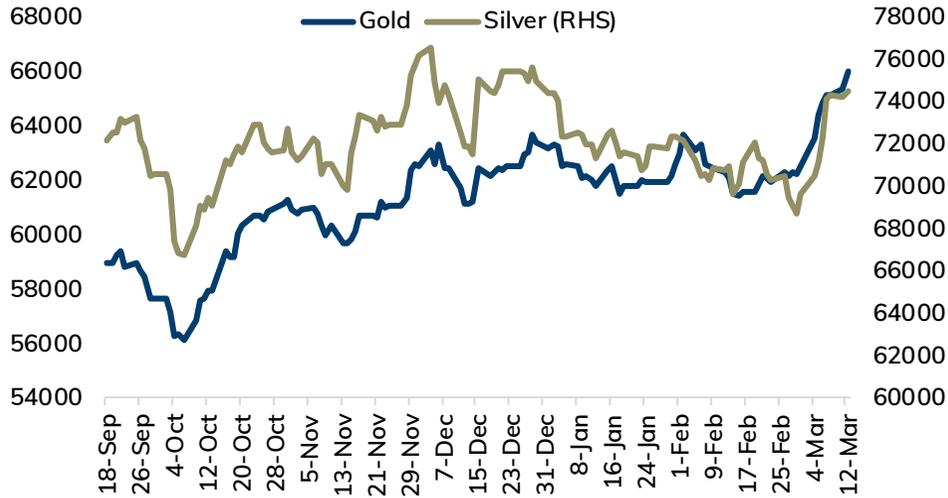
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro edged lower by 0.20% yesterday amid dovish comments from the ECB Governing council members and the ECB President Lagarde last week. ECB president in her speech said that the ECB could start cutting rates as soon as June. For today, EURUSD is likely to hold the support near 1.090 level and rise towards 1.0960 level amid expectation of correction in dollar. Meanwhile, investors will remain cautious ahead of consumer price data from Germany. EURINR March may rise towards 90.75 level as long as it trades above 90.30 levels
- Pound is expected to rise further towards 1.2860 level amid expectation of improved job growth numbers in the region. Further, investors will eye on the BOE member Mann's speech to get more clues on the stance of the central bank. Meanwhile, markets await key economic data, as it could affect expectations for the BOE policy path. GBPINR March is likely to move north towards 106.50 level as long as it stays above 105.90 levels

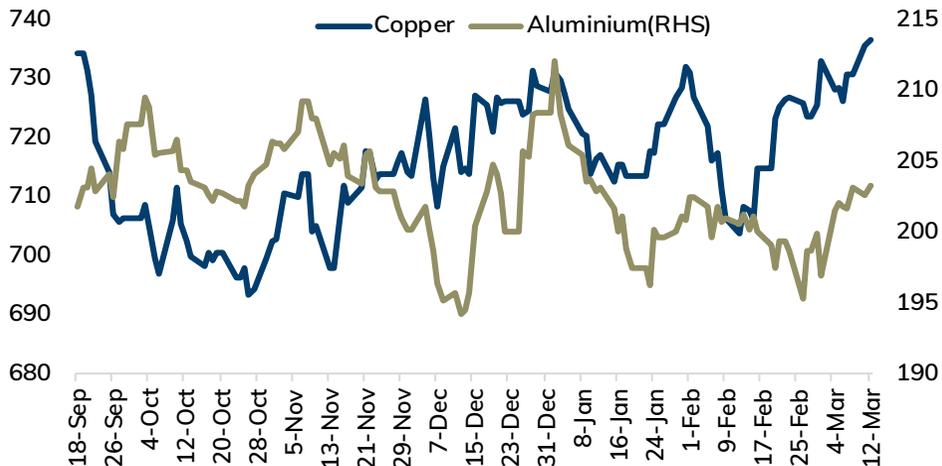
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to hold the support near \$2165 level and rise back towards \$2190 levels amid expectation of correction in dollar and US treasury yields. Dollar and yields may move further south as job data signaled cooling US labor market, keeping the Fed on track to ease policy this year. Moreover, all eyes will be on inflation data from US to get fresh cues on the timing of interest rate cuts. Signs of cooling inflation would further weigh on the US currency and make dollar-priced metals cheaper for buyers with other currencies. Additionally, demand for safe haven may increase on mounting tension in Middle East
- MCX Gold April prices is likely to rise further towards 66,400 level as long as it stays above 65800 levels
- MCX Silver May is expected to follow gold and rise further towards 75,000 level as long as it sustains above 74,000 level.

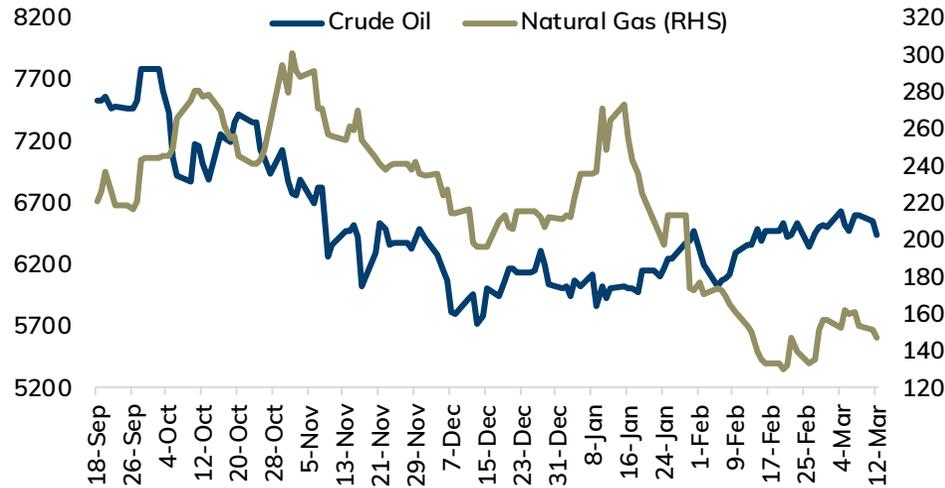
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with positive bias amid weakness in dollar and rise in risk appetite in the global markets. Further, prices may move north on persistent decline in stockpiles at LME registered warehouses and signs of raw material supply tightness. Meanwhile, investors will remain cautious ahead of Chinese loan data for indications of demand from the top metals consumer and US inflation data to get fresh cues on the timing of interest rate cuts
- MCX Copper is expected to rise towards 740 level as long as it stays above 732 level. A move above 740 would open the doors for 745 levels.
- Aluminium is expected to move further north towards 205 level as long as it stays above 202 level.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise back towards \$79 buoyed by weakness in dollar and optimistic global market sentiments. Further, investors fear over supply disruption due to ongoing battle in Ukraine and Gaza. Moreover, Yemen's Houthis continued attacking ships in the Red Sea and Gulf of Aden disrupting movement of vessels. Meanwhile, investors will remain cautious ahead of economic data from China & US to gauge economic health of the country and fresh update on the global supply and demand outlook for oil from OPEC & IEA
- MCX Crude oil is likely to rise back towards 6550 levels as long as it trades above 6380 levels.
- MCX Natural gas is expected to slip further towards 140 level as long as it trades below 154 level

Daily Commodity Pivot Levels

| Commodity | S2 | S1 | Pivot | R1 | R2 |
|-----------|-------|-------|-------|-------|-------|
| Gold | 65757 | 65896 | 66039 | 66178 | 66321 |
| Silver | 73882 | 74198 | 74428 | 74744 | 74974 |
| Copper | 727.7 | 732.2 | 734.7 | 739.2 | 741.8 |
| Aluminium | 201.2 | 202.2 | 203.0 | 204.0 | 204.7 |
| Zinc | 218.4 | 220.9 | 222.4 | 224.9 | 226.4 |
| Lead | 179.4 | 180.2 | 180.9 | 181.7 | 182.3 |
| Crude Oil | 6311 | 6377 | 6433 | 6499 | 6555 |
| Nat Gas | 142 | 145 | 149 | 151 | 156 |

Daily Currency Pivot Levels

| Futures | S2 | S1 | Pivot | R1 | R2 |
|---------------|--------|--------|--------|--------|--------|
| US\$INR (Mar) | 82.61 | 82.69 | 82.74 | 82.82 | 82.88 |
| US\$INR (Apr) | 82.71 | 82.79 | 82.84 | 82.92 | 82.98 |
| EURINR (Mar) | 90.34 | 90.44 | 90.53 | 90.63 | 90.72 |
| EURINR (Apr) | 90.36 | 90.52 | 90.64 | 90.81 | 90.93 |
| GBPINR (Mar) | 106.06 | 106.15 | 106.24 | 106.33 | 106.42 |
| GBPINR (Apr) | 106.06 | 106.16 | 106.28 | 106.38 | 106.50 |
| JPYINR (Mar) | 56.19 | 56.39 | 56.52 | 56.72 | 56.86 |
| JPYINR (Apr) | 56.37 | 56.67 | 56.86 | 57.16 | 57.35 |

Key Parameters

Major Currency Pairs

| Currencies | Close | Pvs. Close | % Change |
|------------|--------|------------|----------|
| DXY | 102.87 | 102.82 | 0.04% |
| US\$INR | 82.76 | 82.79 | -0.03% |
| EURUSD | 1.0926 | 1.0948 | -0.20% |
| EURINR | 90.50 | 90.26 | 0.26% |
| GBPUSD | 1.2814 | 1.2809 | 0.04% |
| GBPINR | 106.29 | 105.56 | 0.69% |

10 year government - Global Bonds Yields

| Country | Close | Pvs. Close | Change |
|---------|-------|------------|--------|
| India | 7.015 | 7.031 | -0.016 |
| US | 4.098 | 4.083 | 0.0155 |
| Germany | 2.303 | 2.306 | -0.003 |
| UK | 3.971 | 3.998 | -0.027 |
| Japan | 0.759 | 0.731 | 0.028 |

US Crude Stocks Change (Barrels)

| Release Date | Time (IST) | Actual | Forecast |
|--------------|------------|--------|----------|
| 3/6/2024 | 9:00 PM | 1.4M | 2.4M |
| 2/28/2024 | 9:00 PM | 4.2M | 3.1M |
| 2/22/2024 | 9:30 PM | 3.5M | 3.9M |
| 2/14/2024 | 9:00 PM | 12.0M | 3.3M |
| 2/7/2024 | 9:00 PM | 5.5M | 1.7M |
| 1/31/2024 | 9:00 PM | 1.2M | -0.8M |
| 1/24/2024 | 9:00 PM | -9.2M | -1.2M |

LME Warehouse Stocks (Tonnes)

| Commodity | Current Stock | Change in Stock | % Change |
|-----------|---------------|-----------------|----------|
| Copper | 110850 | -2675 | -2.36% |
| Aluminium | 577675 | -2650 | -0.46% |
| Zinc | 271950 | -625 | -0.23% |
| Lead | 191575 | -25 | -0.01% |
| Nickel | 73572 | -132 | -0.18% |

| Date & Time (IST) | Country | Data & Events | Actual | Expected | Previous | Impact |
|---------------------------|---------|-----------------------------------|--------|----------|----------|--------|
| Monday, March 11, 2024 | | | | | | |
| 10:30 PM | UK | MPC Member Mann Speaks | - | - | - | Medium |
| Tuesday, March 12, 2024 | | | | | | |
| 12:30 PM | UK | Claimant Count Change | - | 20.3K | 14.1K | High |
| 12:30 PM | UK | Average Earnings Index 3m/y | - | 5.70% | 5.80% | High |
| 5:30 PM | India | CPI y/y | - | 5.02% | 5.10% | High |
| 6:00 PM | US | CPI y/y | - | 3.10% | 3.10% | High |
| Wednesday, March 13, 2024 | | | | | | |
| 12:30 PM | UK | GDP m/m | - | 0.20% | -0.10% | High |
| 3:30 PM | Europe | Industrial Production m/m | - | -1.40% | 2.60% | Medium |
| 8:00 PM | US | Crude Oil Inventories | - | - | 1.4M | Medium |
| Thursday, March 14, 2024 | | | | | | |
| 6:00 PM | US | PPI m/m | - | 0.30% | 0.30% | High |
| 6:00 PM | US | Retail Sales m/m | - | 0.80% | -0.80% | High |
| 6:00 PM | US | Unemployment Claims | - | 218K | 217K | High |
| 8:00 PM | US | Natural Gas Storage | - | - | -40B | Medium |
| Friday, March 15, 2024 | | | | | | |
| 3:30 PM | India | Trade Balance | - | - | -17.49B | Medium |
| 6:00 PM | US | Empire State Manufacturing Index | - | -7.6 | -2.4 | High |
| 6:45 PM | US | Industrial Production m/m | - | 0.00% | -0.10% | Medium |
| 7:30 PM | US | Prelim UoM Consumer Sentiment | - | 77.3 | 76.9 | High |
| 7:30 PM | US | Prelim UoM Inflation Expectations | - | - | 3% | Medium |



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