

April 25, 2024

Daily Currency & Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	May	Buy	6800-6810	6950	6740	Intraday

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News and Developments

- Spot gold prices steadied near \$2320 as most investors remained cautious ahead of the key economic numbers from US, which would bring more clarity on future interest rate path. Meanwhile stronger dollar and higher US treasury yields checked the upside in the bullions.
- Dollar index traded higher after improved US durable goods order data last month. The durable goods order improved to 2.6% last month against previous reading of 1.3%
- 10 year US treasury yields moved towards 4.658% and the 2 year US treasury yields also edged higher to 4.94%.
- NYMEX crude oil prices pared its earlier gains and settled lower despite a sharp drop in the crude oil inventory. Recent EIA inventory data reported a drawdown of 6.4M barrels last week amid strong exports. Further, Stronger dollar and easing risk premiums weighed on the oil prices to slide below the \$83 mark. Risk premiums continued to decline as lower expectation of military escalation between Iran and Israel eased concerns of tighter sanction on Iran.
- Copper prices traded higher amid supply concerns after Chile trimmed its production forecast for the year 2024 to 5.51 million MT from 5.63 million MT. Meanwhile stronger dollar capped its upside momentum.
- Natural gas futures lost more than 5% yesterday on forecast of reduced heating demand. Further, decline in export numbers also weighed on the gas prices to trim erase its earlier gains.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	71050	0.03%	2316.17	-0.25%
Silver	80497	-0.22%	27.16	-0.53%
Copper	843.1	0.66%	9773.50	0.69%
Aluminium	243.0	0.81%	2603.00	0.93%
Zinc	244.9	-1.11%	2805.00	0.45%
Lead	187.6	-2.01%	2196.50	0.55%
WTI Crude Oil	6889	-0.56%	82.81	-0.66%
US Nat Gas	168.0	-3.11%	1.65	-8.77%

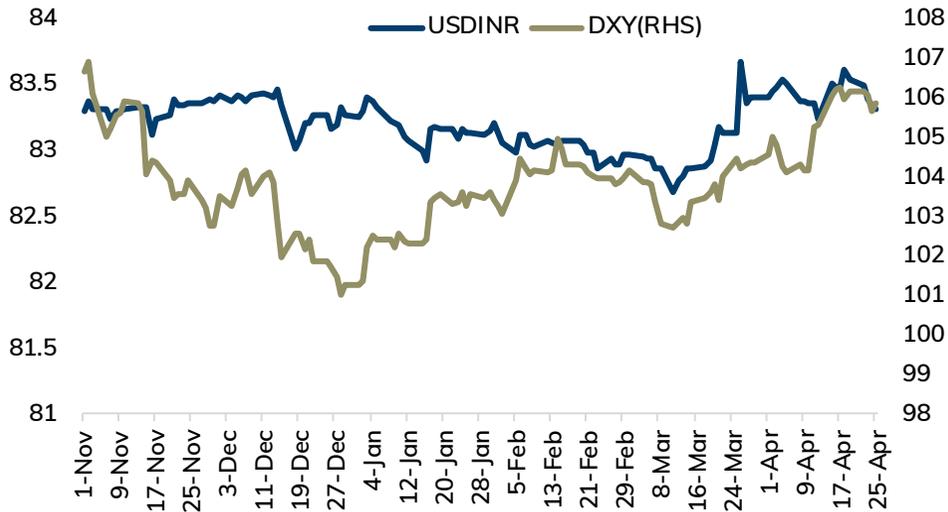
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.32	-0.04%	2072772	-585511	950783	47752
EURINR (26th Apr)	89.01	0.13%	27432	-2549	5582	-4546
GBPINR (26th Apr)	103.65	0.47%	33504	-4159	7580	-4357

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	May	Buy	170-171	179	166	Exit in Loss

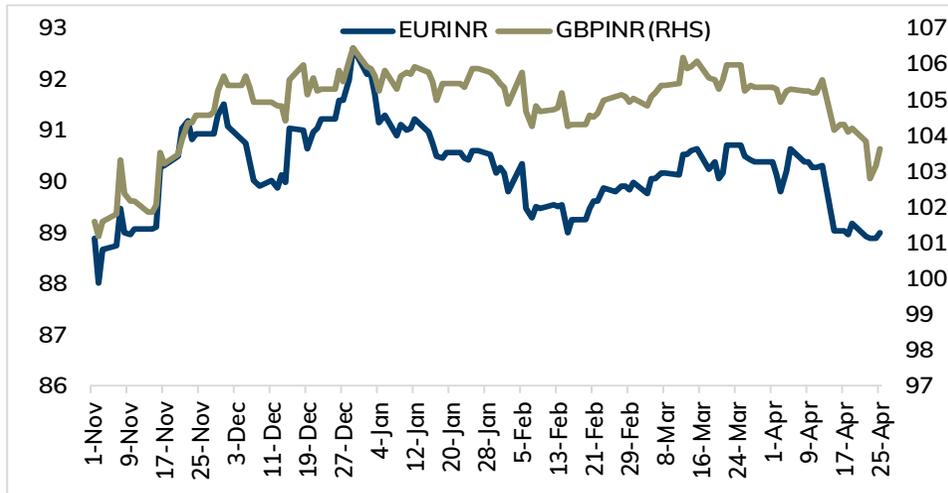
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee appreciated marginally yesterday amid soft dollar, decline in crude oil prices and positive domestic market sentiments. However, sharp gains were prevented amid dollar demand from importers.
- Rupee is likely to appreciate today amid soft dollar and decline in crude oil prices. Dollar is moving south as fresh data showed new orders for key US manufactured capital goods increased moderately in March but the data for the prior month was revised lower. Meanwhile, sharp gains may be prevented as all eyes will be on slew of economic data from US to get cues on the potential timeline of rate cuts by the Federal Reserve. As per CME FedWatch tool market expects easing cycle to start from September. USDINR April likely to slip towards 83.20 level (89-Day EMA) as long as it stays below 83.40 level (10-Day EMA).

EURINR vs. GBPINR



Euro and Pound Outlook

- Euro inched lower by 0.02% yesterday amid firm dollar. However, sharp downside was cushioned on improved economic data from euro zone and hawkish comments from ECB Governing Council member Nagel. German April IFO business climate index rose more than expected to an 11-month high. For today, EURUSD is likely to hold the support near 1.0690 level (10-Day EMA) and rise towards 1.0730 levels (20-Day EMA) amid soft dollar and divergence in monetary policy between Fed and ECB. EURINR April is likely to rise towards 89.40 levels as long as it trades above 88.90 levels.
- Pound is expected to find the floor near 1.2430 level and rise towards 1.2505 level (20-Day EMA) amid weakness in dollar. Meanwhile, expectation of disappointing economic data from Britain may prevent sharp upside in pair. Additionally, BoE officials suggested that central bank is more confident that price pressure is ebbing, indicating interest rate cuts. GBPINR April is likely to rise further towards 104.00 level (10-Day EMA) as long as it stays above 103.50 levels

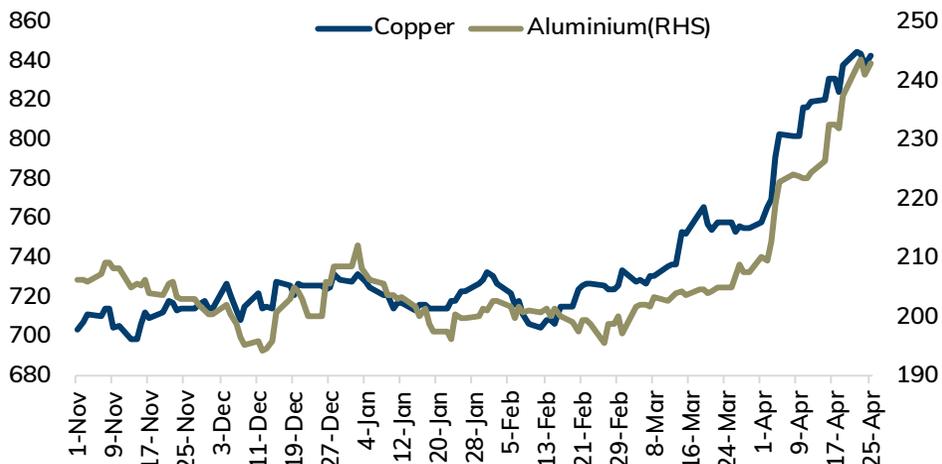
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to face the hurdle near \$2335 and move towards the initial support at \$2290 amid reduced safe haven demand. Further higher treasury yields would also cap its upside. The focus will remain on the US advance GDP numbers, which could bring further clarity in future rate path. Better than expected growth numbers would push the odds of rate cut lower and weigh on the bullions. Furthermore, positive risk sentiments and diminishing probability of rate cut would limit the upside in the bullions.
- MCX Gold June is expected to face the hurdle near 71500 and move lower towards 70600. Only close below 70600, it would turn weaker and slide further towards 70000.
- MCX Silver May is expected to face the resistance at 81400 and move lower towards 79400. Only a move below 79400, it would open the doors towards 78200.

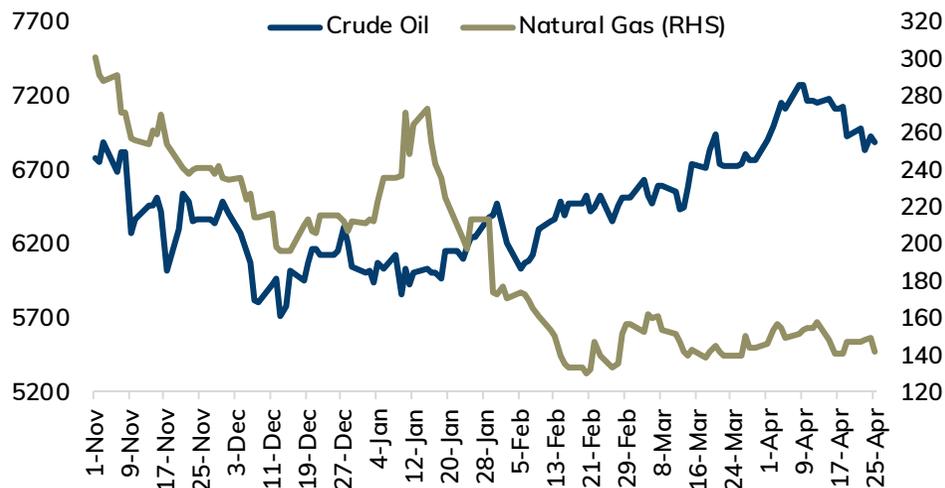
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to hold its gains and trade higher amid tight supplies. Depleting inventory in the global markets after the move from the US and UK to restrict the Russian bound metals to the exchange warehouses would keep prices to stay higher. Further, improved risk appetite on expectation of improved economic data from US would also support the base metals to hold its gains.
- For the day MCX Copper May is expected to find support near 844 and move towards 855. Only close below 844 it would weaken towards 838.
- Aluminum is expected to face the hurdle near 241 and move towards the support near 234.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to find support near \$81 and move back towards the \$84 mark amid risk of expanding conflict in the Middle East after Israel continued its attack on northern Gaza strip for the second day in a row. Further, sanction on Iran would hurt the global supplies. Moreover, hopes of better demand from US ahead of summer driving season would provide necessary support to the oil prices. On the other hand, higher for longer interest rate outlook by the Fed would check any major upside in price.
- MCX Crude oil May future is likely to hold the support near 6750 and move back towards 7000. Only a sustained move above 7000 it would rise towards 7100 mark.
- Natural gas is expected to remain under pressure amid forecast of mild US temperature and elevated inventories. MCX May future is expected to face the hurdle near 176 and move lower towards 164.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	70411	70730	71050	71369	71689
Silver	79818	80158	80606	80946	81394
Copper	836.7	839.9	843.8	847.0	850.8
Aluminium	235.1	239.1	242.9	246.9	250.7
Zinc	239.5	242.2	247.1	249.8	254.7
Lead	182.0	184.8	189.8	192.6	197.6
Crude Oil	6818	6854	6916	6952	7014
Nat Gas	161	164	171	175	181

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	83.24	83.28	83.31	83.35	83.38
US\$INR (May)	83.32	83.35	83.39	83.42	83.45
EURINR (Apr)	88.81	88.91	89.06	89.16	89.31
EURINR (May)	89.01	89.11	89.28	89.38	89.55
GBPINR (Apr)	103.30	103.47	103.59	103.76	103.88
GBPINR (May)	103.92	104.08	104.17	104.33	104.42
JPYINR (Apr)	53.69	53.74	53.82	53.87	53.95
JPYINR (May)	54.21	54.27	54.36	54.41	54.50

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.86	105.68	0.17%
US\$INR	83.32	83.34	-0.03%
EURUSD	1.0699	1.0701	-0.02%
EURINR	89.03	88.84	0.22%
GBPUSD	1.2464	1.2449	0.12%
GBPINR	103.55	103.01	0.52%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.185	7.164	0.021
US	4.642	4.600	0.0413
Germany	2.588	2.502	0.086
UK	4.334	4.241	0.093
Japan	0.905	0.889	0.016

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
25-04-2024	8:00 PM	-6.4M	1.6M
17-04-2024	8:00 PM	2.7M	1.6M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	120225	-375	-0.31%
Aluminium	496550	-750	-0.15%
Zinc	255100	-750	-0.29%
Lead	265225	-3525	-1.31%
Nickel	76878	0	0.00%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 22, 2024						
6:45 AM	China	1-y Loan Prime Rate	3.45%	3.45%	3.45%	Medium
6:45 AM	China	5-y Loan Prime Rate	3.95%	3.95%	3.95%	Medium
7:30 PM	Europe	Consumer Confidence	-15	-14	-15	Medium
Tuesday, April 23, 2024						
12:45 PM	Europe	French Flash Manufacturing PMI	44.9	46.9	46.2	High
1:00 PM	Europe	German Flash Manufacturing PMI	42.2	42.8	41.9	High
1:30 PM	Europe	Flash Manufacturing PMI	45.6	46.5	46.1	Medium
2:00 PM	UK	Flash Manufacturing PMI	48.7	50.3	50.3	High
7:15 PM	US	Flash Manufacturing PMI	49.9	52	51.9	High
7:15 PM	US	Flash Services PMI	50.9	52	51.7	High
7:30 PM	US	New Home Sales	693K	668K	662K	Medium
7:30 PM	US	Richmond Manufacturing Index	-7	-7	-11	Medium
Wednesday, April 24, 2024						
1:30 PM	Europe	German ifo Business Climate	89.4	88.9	87.8	Medium
6:00 PM	US	Core Durable Goods Orders m/m	0.20%	0.30%	0.30%	Medium
6:00 PM	US	Durable Goods Orders m/m	2.60%	2.50%	1.30%	Medium
8:00 PM	US	Crude Oil Inventories	-6.4M	1.7M	2.7M	Medium
Thursday, April 25, 2024						
6:00 PM	US	Advance GDP q/q	-	2.50%	3.40%	High
6:00 PM	US	Unemployment Claims	-	215K	212K	High
7:30 PM	US	Pending Home Sales m/m	-	0.90%	1.60%	High
8:00 PM	US	Natural Gas Storage	-	-	50B	Medium
Friday, April 26, 2024						
Tentative	Japan	BOJ Policy Rate	-	<0.1%	<0.1%	High
6:00 PM	US	Core PCE Price Index m/m	-	0.30%	0.30%	High
7:30 PM	US	Revised UoM Consumer Sentiment	-	77.8	77.9	High



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