

June 1, 2023

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	July	Buy	60000-60010	60400	59800	Intraday
Buldex	June	Buy	16200-16210	16300	16140	Intraday

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## News and Developments

- Gold prices edged higher on Wednesday amid a decline in US treasury yields. Further, investors focused on a much anticipated vote in Congress on raising the US debt ceiling
- However, further upside was capped as the number of job vacancies in the US unexpectedly increased to 10.1 million in April 2023, surpassing market expectations of 9.375 million. This latest figure represented a rebound from the previous month's near two-year low of 9.745 million and indicated a persistently tight labour market
- Crude oil prices edged lower on Wednesday on a strong dollar and weak economic data from China that fed demand fears
- Data from EIA showed US field production of crude oil rose in March to 12.696 million barrels per day, the highest since March 2020, when the Covid-19 pandemic began to decimate global energy demand
- Copper prices dropped on Wednesday amid a firm dollar and as data from China showed factory activity shrank faster than expected in May
- The manufacturing PMI came in at 48.8 this month, down from 49.2 for April. This showed China's factory activity weakened further in May, underlining the economy's shaky recovery from the Covid-19 pandemic

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	60180	0.39%	1982.05	0.25%
Silver	72139	1.54%	23.53	1.63%
Copper	702.80	-0.74%	8110.00	-0.16%
Aluminium	206.30	-0.36%	2249.00	1.12%
Zinc	204.25	-3.54%	2251.00	-2.24%
Lead	185.05	0.03%	2014.00	-1.54%
WTI Crude Oil	5684.00	-1.25%	67.94	-2.19%
US Nat Gas	190.70	0.74%	2.26	-2.88%

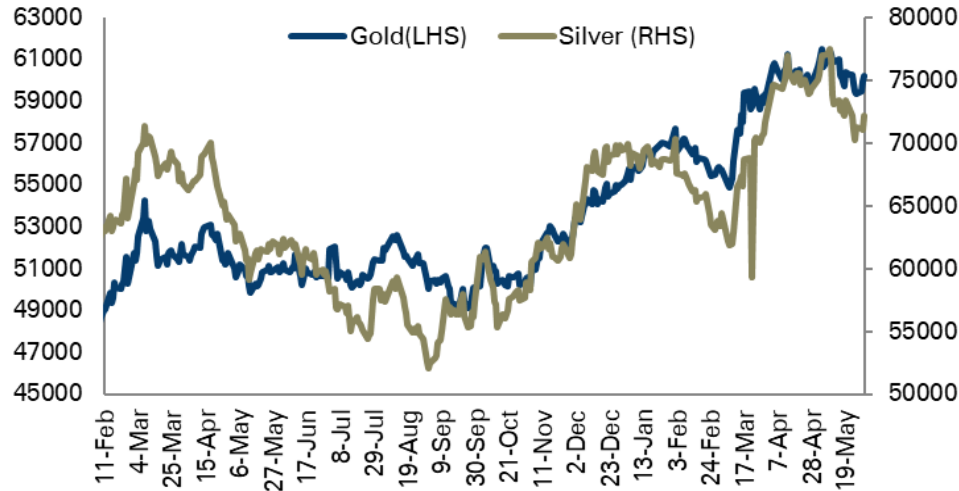
## Daily Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	59613	59897	60123	60407	60633
Silver	70420	71279	71765	72624	73110
Copper	697	700	703	706	710
Aluminium	206	206	206	206	206
Zinc	203	204	205	205	206
Lead	182	184	184	186	186
Crude Oil	5465	5574	5677	5786	5889
Nat Gas	182	187	193	197	204

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude oil	June	Sell	5740-5750	5640	5800	Target Achieved
Buldex	June	Buy	16080-16085	16180	16020	Target Achieved

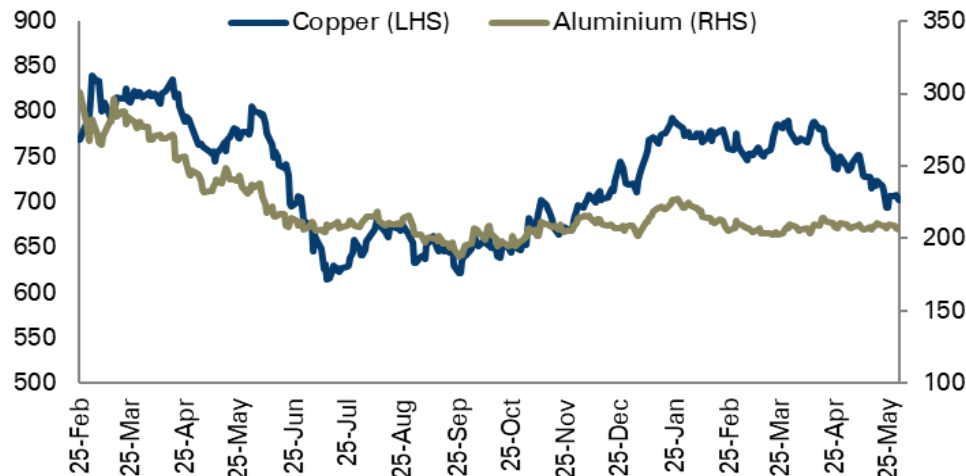
## MCX Gold vs. Silver Performance



## Bullion Outlook

- Gold prices are likely to trade with a positive bias amid a decline in US treasury yields across the curve and retreat in dollar. Additionally, Fed officials signalled that the central bank could hold its interest rate steady at its next meeting. Further, bullion prices may be supported on expectations of weak ADP nonfarm employment change data from the US
- MCX Gold prices are likely to rally further till 60850 levels as long as they stay above 60200 levels, which is also the 10-day EMA
- MCX Silver is expected to trade in upward trend towards the level of 20-day EMA at 72,700

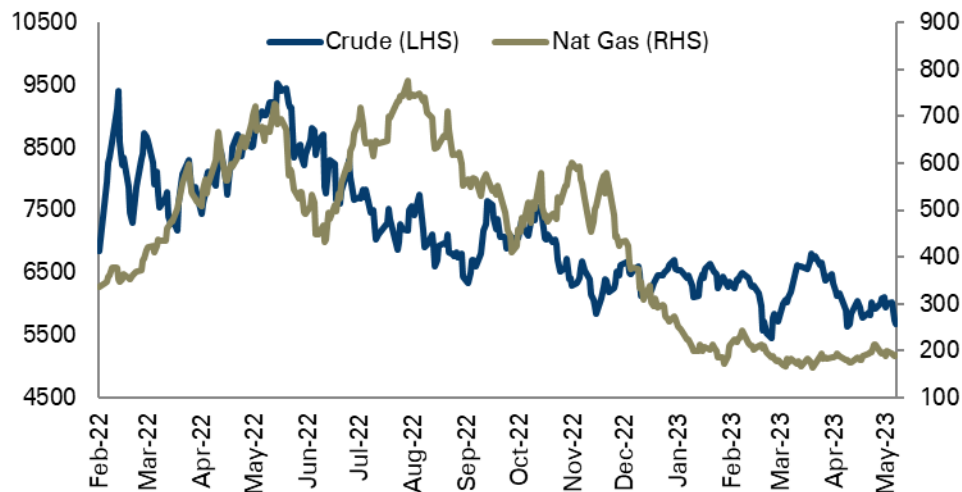
## MCX Copper vs. Aluminium Performance



## Base Metal Outlook

- Copper prices are expected to trade with a positive bias amid retreat in dollar and as private gauge of China's factory activity bounced back to expansion in May. The China Caixin manufacturing PMI rose to 50.9 in May from 49.5 in April. Meanwhile, sharp upside may be capped as copper inventories at LME-warehouses has almost doubled in the last six weeks
- MCX Copper is likely to take support near 705 levels and rally further till 712 levels
- MCX aluminium is expected to break the level of 50-DMA at 208.10 to trade in upward trend towards the level of 209.50

## MCX Crude Oil vs. Natural Gas Performance



## Energy Outlook

- Crude oil prices are expected to trade with a negative bias as API data showed an unexpectedly large build-up in US crude stocks. US crude oil inventories rose by about 5.2 million barrels and gasoline inventories increased about 1.9 million barrels last week. Market participants will now keep a close eye on government data on crude stocks
- MCX Crude oil is likely to continue its downward trend towards the level of 5540 as long as it sustains below the key resistance level of 5780
- MCX Natural gas is expected to break the level of 187 to trade in a downward trend towards the level of 183

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
24-05-2023	8:00 PM	-12.456M	-0.920M
17-05-2023	8:00 PM	5.040M	-0.920M
10-05-2023	8:00 PM	2.951M	-0.917M
03-05-2023	8:00 PM	-1.280M	-1.100M
26-04-2023	8:00 PM	-5.1M	-1.3M
19-04-2023	8:00 PM	-4.6M	-0.4M
12-04-2023	8:00 PM	0.6M	-1.0M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	99150	-550	-0.55
Nickel	37782	-390	-1.02
Zinc	87500	13175	17.73
Lead	36175	350	0.98
Aluminium	579525	-7000	-1.19

TIME (IST)	COUNTRY	DATA & EVENTS	FORECAST	PREVIOUS
5:45 PM	US	ADP Nonfarm Employment Change (May)	170K	296K
6:00 PM	US	Nonfarm Productivity (QoQ) (Q1)	-2.7%	1.7%
6:00 PM	US	Initial Jobless Claims	235K	229K
7:30 PM	US	ISM Manufacturing PMI (May)	47	47.1
8:00 PM	US	Natural Gas Storage	113B	96B
8:30 PM	US	Crude Oil Inventories	-1.101M	-12.456M



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