

June 28, 2022

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	July	Sell	701-701.50	693	706	Intraday
Buldex	July	Sell	14350-14360	14150	14470	Intraday

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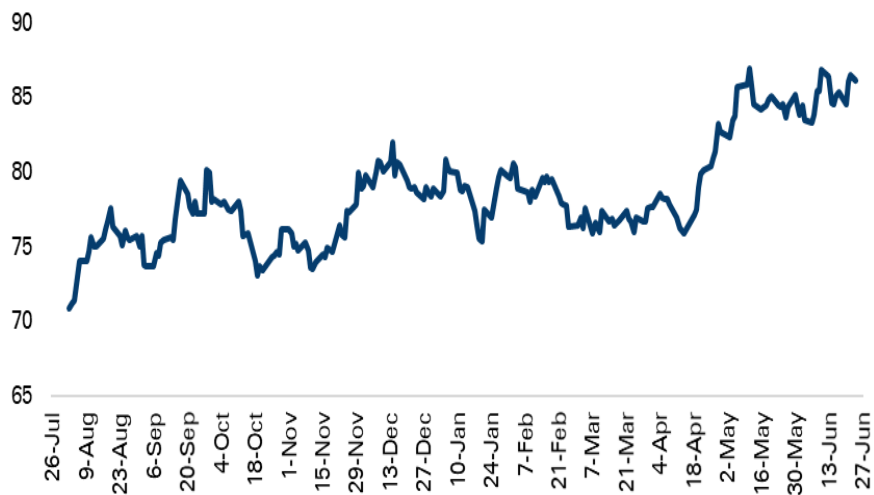
Bullion Futures

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	50660	0.07%	1824.95	-0.29%
Silver	60000	0.42%	21.17	0.06%
MCXBULDEX	14309	0.18%	-	-

MCX Pivot levels

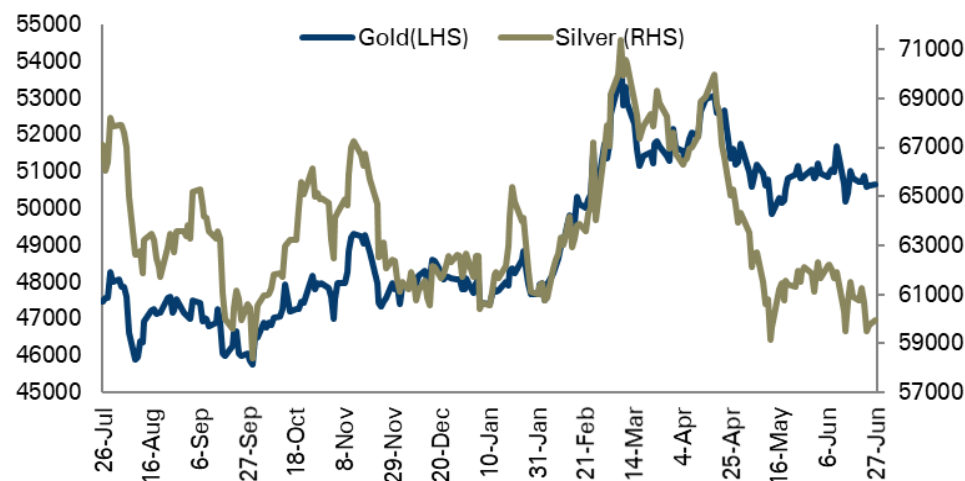
Commodity	S2	S1	Pivot	R1	R2
Gold	50333	50497	50738	50902	51143
Silver	59381	59690	60210	60519	61039
MCXBULDEX	14225	14267	14336	14378	14447

Gold/Silver Ratio



- MCX gold prices steadied higher amid a decline in the US dollar and risk aversion in US stocks. Further, demand for safe haven asset improved as fear over recession persisted. Additionally, the UK, US, Japan and Canada planned to ban imports of Russian gold to tighten sanctions, which had a limited impact
- However, sharp upside was capped on improved economic data from the US and a surge in US 10 year treasury yield. Furthermore, investors remained cautious ahead of ECB President Lagarde's speech to get hints on future policy moves
- MCX gold prices are expected to rise towards ₹ 51,200 levels for the day as long as they sustain above ₹ 50650 levels amid weakness in dollar and rise in demand for safe haven asset. Further, gold prices may rally on expectation of disappointing economic data from the US. Meanwhile, surge in US 10 year treasury yields may cap sharp upside in prices

MCX Gold vs Silver Performance



Metal Futures

Commodity	LTP (₹)	Change	LTP (\$)	Change
Copper	696.10	0.61%	8363.00	0.46%
Nickel	2000.00	-2.76%	22938.00	3.66%
Zinc	301.00	1.31%	3320.50	-0.57%
Lead	179.00	-1.05%	1915.00	-1.67%
Aluminium	213.00	2.35%	2494.00	1.71%
MCXMETLDEX	19000	0.00%	-	-

MCX Pivot levels

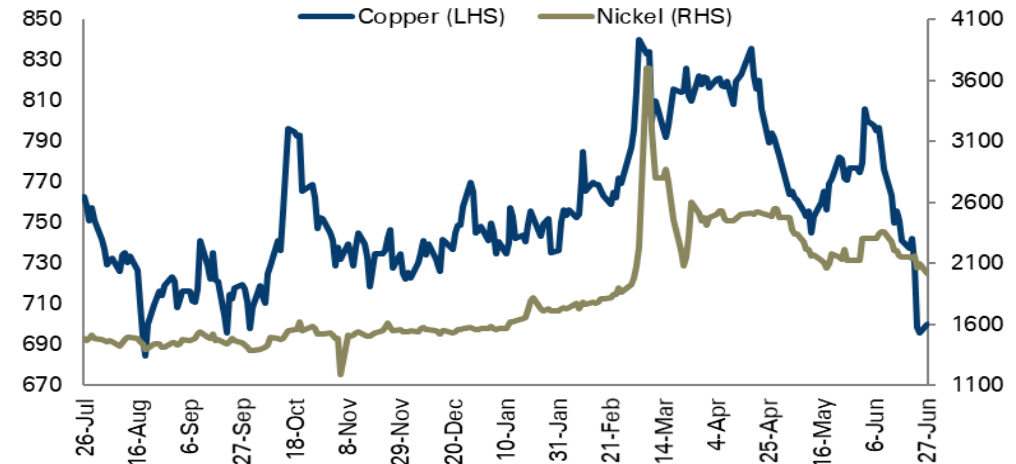
Commodity	S2	S1	Pivot	R1	R2
Copper	692.1	694.1	697.9	699.9	703.6
Nickel	2000.0	2000.0	2000.0	2000.0	2000.0
Zinc	294.3	297.7	299.3	302.7	304.3
Lead	175.3	177.2	180.8	182.7	186.3
Aluminium	206.3	209.7	211.3	214.7	216.3
MCXMETLDEX	19000.0	19000.0	19000.0	19000.0	19000.0

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	124850	11825	10.46
Nickel	66936	-360	-0.53
Zinc	81725	2550	3.22
Lead	39600	0	0.00
Aluminium	384800	-3950	-1.02

- Industrial metal prices edged higher on weakness in dollar and improved economic data from the US. Durable goods orders for May had risen more than expected and pending home sales rose in May by 0.7%
- Additionally, US and its allies laid out plan to invest hundreds of billions of dollars for infrastructure projects in developing countries
- However, upsides were capped on fears that major central banks across the globe will have to raise interest rates sharply even if it hurts economic growth
- MCX copper prices are expected to continue their negative trend and slip further till ₹ 680 levels for the day as market fear that the combination of slow economic growth and high inflation known as stagflation will hamper demand for industrial metals

MCX Copper vs. Nickel Performance



Energy Futures

Commodity	LTP (₹)	Change	LTP (\$)	Change
WTI Crude Oil	8660	3.29%	110.10	2.30%
US Nat Gas	498.5	2.57%	6.44	2.50%
MCXENRGDEX	9548	3.04%	-	-

MCX Pivot levels

Commodity	S2	S1	Pivot	R1	R2
WTI Crude Oil	8215	8438	8558	8781	8901
US Nat Gas	455.6	477.0	493.0	514.4	530.4
MCXENRGDEX	9002	9275	9454	9727	9905

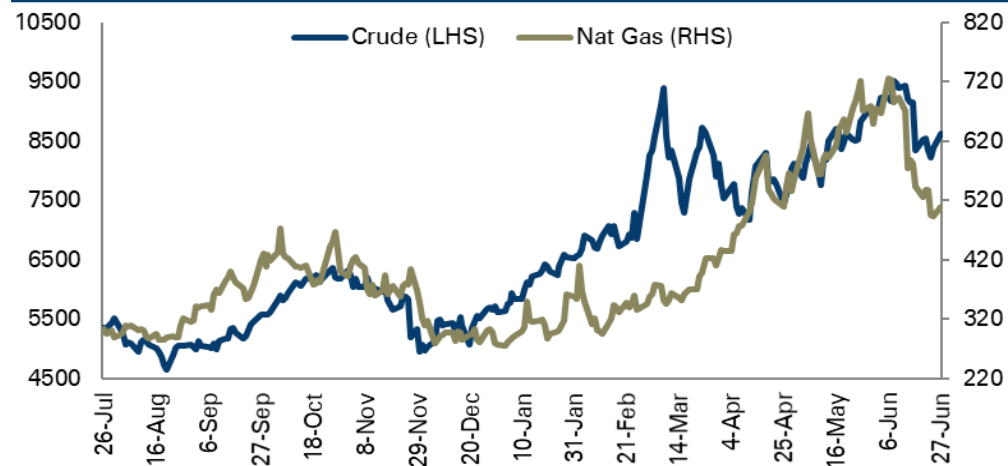
US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
16-06-2022	8:00 PM	1.956M	-1.314M
09-06-2022	8:00 PM	2.025M	-1.917M
02-06-2022	8:00 PM	-5.068M	-1.350M
25-05-2022	8:00 PM	-1.019M	-0.737M
18-05-2022	8:00 PM	-3.394M	1.383M
11-05-2022	8:00 PM	8.487M	-0.457M

The Energy Information Administration's (EIA) Crude Oil Inventories measures the weekly change in the number of barrels of commercial crude oil held by US firms.

- WTI crude oil prices edged higher amid concerns over tight supply and weak dollar. Further, investors remained cautious ahead of G7 meeting where leaders of seven nations are expected to agree to work on mechanism to cap the purchase price of Russian oil
- Further, Opec+ is likely to stick to its plan of marginal hike in oil production in July and August
- Additionally, Libya said it may have to halt exports in Gulf of Sirte area within 72 hours amid unrest and even Ecuador could suspend oil production completely within 48 hours amid anti government protest
- MCX crude oil prices are expected to rise further towards ₹ 8800 levels for the day as long as it sustains above ₹ 8500 on weakness in dollar and concerns over tight supply. Further, market participants will remain vigilant ahead of Opec+ meeting scheduled on June 30 and move against Russian oil exports that may come out of G7 meeting

MCX Crude Oil vs. Natural Gas Performance



TIME (IST)	COUNTRY	DATA & EVENTS	FORECAST	PREVIOUS
11:30 AM	Europe	German GfK Consumer Climate	-28	-26
1:30 PM	Europe	ECB President Lagarde Speaks	-	-
7:30 PM	US	CB Consumer Confidence	100.0	106.4
7:30 PM	US	Richmond Manufacturing Index	-11.0	-9.0

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Source: Bloomberg, Reuters, ICICI Direct Research

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