

September 16, 2020

Daily Commodities Outlook

Daily Recommendations						
Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold mini	Oct	Buy	51650-51700	52200	51300	Intraday
Crude oil	Sep	Buy	2795-2800	2860	2755	Intraday

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Recent Developments

- Gold slipped from a near-two week high on Tuesday as the dollar rose although hopes of a dovish monetary policy stance from the US Fed limited the safe-haven metal's losses
- World stock markets rose on Tuesday, first on upbeat Chinese data and later on a solid increase in US factory output while the dollar see-sawed on expectations that the Federal Reserve will keep a downbeat economic outlook when policymakers meet this week
- Oil prices rose nearly 3% on Tuesday, supported by hurricane supply disruptions in the US but demand concerns loomed as energy industry forecasters predicted a slower-than-expected recovery from the pandemic
- WTI oil futures gained ahead of Hurricane Sally's expected landfall on the US Gulf Coast. More than a fifth of US offshore oil production was shut and key exporting ports were closed as the storm's trajectory shifted east toward western Alabama, sparing some Gulf Coast refineries from high winds
- The outlook for oil demand remains weak, limiting gains during the session. The International Energy Agency (IEA) on Tuesday trimmed its 2020 outlook by 200,000 barrels per day (bpd) to 91.7 million bpd, citing caution about the pace of economic recovery
- The Organization of Petroleum Exporting Countries (Opec) said on Monday that world oil demand would tumble by 9.46 million barrels per day (bpd) this year, a sharper decline than it predicted in a report a month ago

Global Price Performance

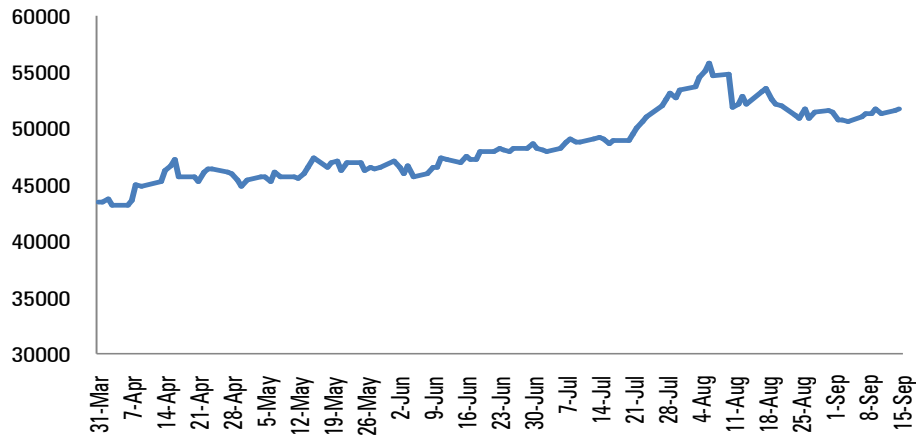
Exchange	Commodity	LTP (\$)	Change	% Change
COMEX	GOLD	1962.30	-1.40	-0.07%
COMEX	SILVER	27.39	0.03	0.12%
NYMEX	CRUDE OIL	38.27	-0.01	-0.41%
NYMEX	NATURAL GAS	2.37	23.45	2.45%
LME	COPPER	6759.75	105.10	4.52%
LME	NICKEL	15245.00	1.01	2.71%
LME	LEAD	1909.00	0.06	2.55%
LME	ZINC	2502.25	0.01	0.48%
ICE	COTTON	66.61	0.03	2.32%

MCX Price Performance

Commodity	Expiry	LTP (₹)	Change	% Change
GOLD	0 ct-20	51770	83	0.16%
SILVER	Dec-20	68836	-129	-0.19%
CRUDE OIL	Sep-20	2830	82	2.98%
NATURAL GAS	Sep-20	175.10	4.40	2.58%
COPPER	Sep-20	528.75	-0.45	-0.09%
NICKEL	Sep-20	1119.50	-1.90	-0.17%
LEAD	Sep-20	149.15	-0.15	-0.10%
ZINC	Sep-20	194.10	1.85	0.96%
COTTON	0 ct-20	18020	100	0.56%

Source: Bloomberg, Reuters, ICICI Direct Research

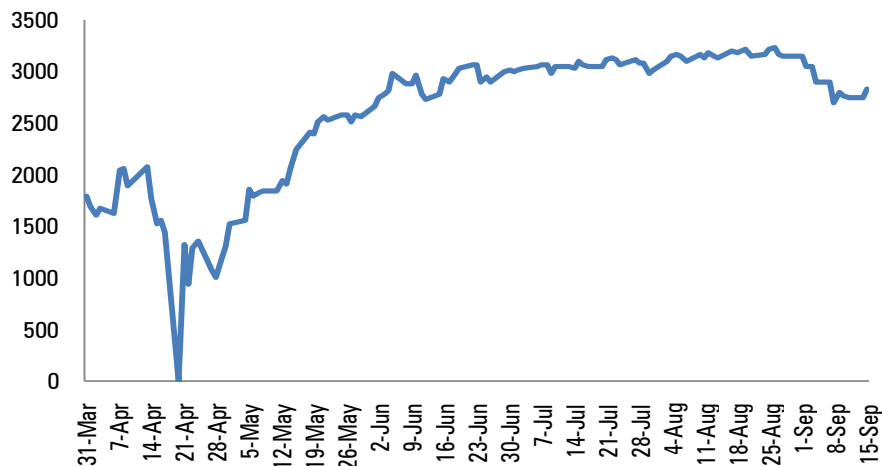
MCX Gold Daily Chart



Bullion Outlook

- Gold prices started yesterday's trading on a positive note opening strongly higher with a gap. Prices rose further in the first half of the session till a high of ₹ 52182. However, prices corrected for the remaining session till a low of ₹ 51561 and closed flat
- Overall, prices have been rising gradually since last week as expectations from the Federal Reserve to keep US interest rates near zero for a longer period provided support to bullion
- Hence, we believe gold prices will hold support near ₹ 51200 level for the coming sessions

MCX Crude Oil Daily Chart



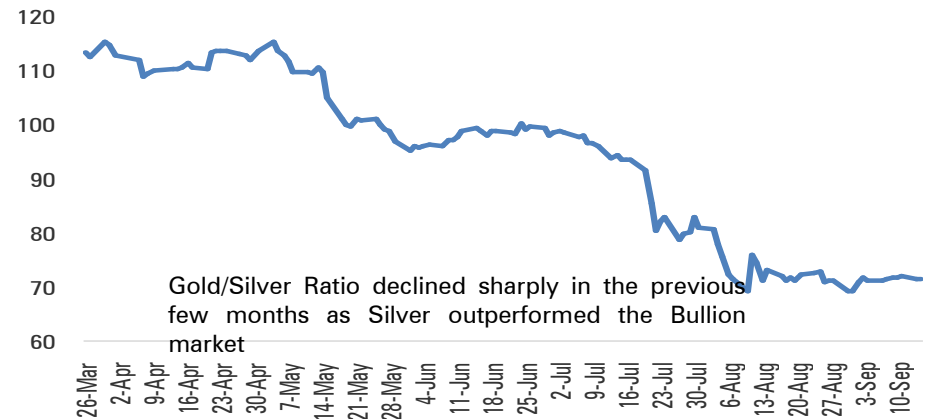
Energy Outlook

- Crude oil prices opened slightly lower with a gap on Tuesday and rose strongly for most of the session till a high of ₹ 2839
- Prices have bounced strongly in the last session after consolidating for the previous few sessions as expectations of supply disruptions due to Hurricane Sally in the US along with a weaker dollar has sparked some buying interests in the oil market
- Therefore, we expect crude prices to hold support near ₹ 2700 level for the short-term

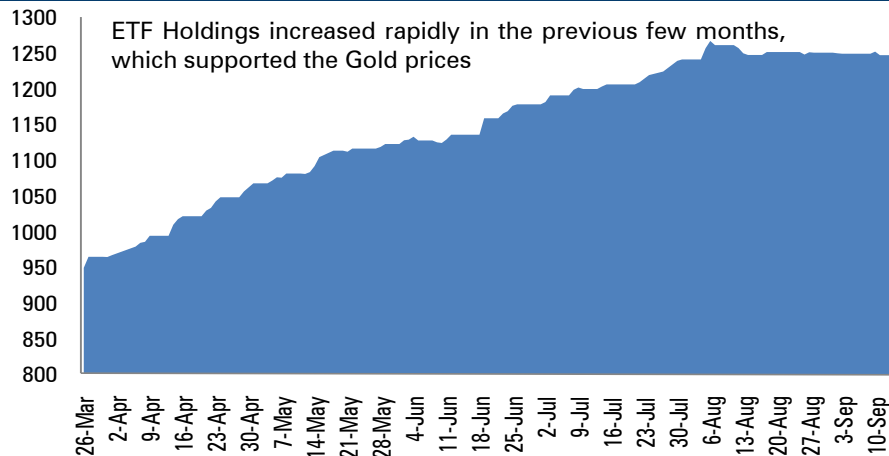
Daily Pivot Levels

Commodity	Expiry	S2	S1	Pivot	R1	R2
GOLD	Oct-20	51217	51493	51838	52114	52459
SILVER	Dec-20	67286	68061	68974	69749	70662
CRUDE OIL	Sep-20	2683	2757	2800	2874	2917
NATURAL GAS	Sep-20	165.0	170.0	172.9	177.9	180.8
COPPER	Sep-20	524.9	526.8	529.9	531.8	534.9
NICKEL	Sep-20	1106.0	1112.8	1120.0	1126.8	1134.0
LEAD	Sep-20	147.2	148.2	149.5	150.5	151.8
ZINC	Sep-20	190.6	192.4	194.3	196.0	197.9
COTTON	Oct-20	17840	17930	17990	18080	18140

Gold/Silver Ratio



SPDR Gold Holdings (Tonnes)



Standard & Poor's Depository Receipt (ETF) Holdings

US Crude Oil Inventories (Barrels)

Release Date	Time	Actual	Forecast	Previous
16-Sep-20	8:00 PM	-	2.049M	2.032M
10-Sep-20	8:30 PM	2.032M	-1.335M	-9.362M
2-Sep-20	8:00 PM	-9.362M	-1.887M	-4.689M
26-Aug-20	8:00 PM	-4.689M	-3.694M	-1.632M
19-Aug-20	8:00 PM	-1.632M	-2.670M	-4.512M
12-Aug-20	8:00 PM	-4.512M	-2.875M	-7.373M

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.

Source: Bloomberg, Reuters, ICICI Direct Research

Today's Major Economic Releases

TIME	COUNTRY	DATA & EVENTS	ACTUAL	FORECAST	PREVIOUS
2:30 PM	Euro Zone	Trade Balance (Jul)	-	12.6B	21.2B
6:00 PM	US	Core Retail Sales (MoM) (Aug)	-	0.9%	1.9%
6:00 PM	US	Retail Sales (MoM) (Aug)	-	1.0%	1.2%
7:30 PM	US	Business Inventories (MoM) (Jul)	-	0.1%	-1.1%
11:30 PM	US	FOMC Economic Projections	-	-	-
11:30 PM	US	FOMC Statement	-	-	-
11:30 PM	US	Fed Interest Rate Decision	-	0.25%	0.25%
12:00 AM	US	FOMC Press Conference	-	-	-

Source: Bloomberg, Reuters, ICICI Direct Research

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Source: Bloomberg, Reuters, ICICI Direct Research

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