

October 26, 2020

Daily Commodities Outlook

Daily Recommendations						
Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold mini	Nov	Buy	50750-50800	51200	50550	Intraday
Nickel	Nov	Sell	1161-1163	1147	1172	Intraday

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Recent Developments

- Gold eased on Friday as the dollar recouped some losses but uncertainty going into the November 3 US elections limited bullion's losses
- Denting appeal for greenback-denominated bullion, the dollar index pared some of its losses but was set to decline about 1% for the week
- Larry Kudlow said on Thursday that talks on a possible aid deal were ongoing but that larger policy differences with Democrats were unlikely to be resolved with the election less than two weeks away
- Oil fell nearly 2% on Friday, finishing lower for the week, in anticipation of a surge in Libyan crude supply and demand concerns caused by surging Coronavirus cases in the US and Europe
- Crude prices sank after Libya's National Oil Corp (NOC) said it lifted force majeure on exports from key ports and output would reach 1 million barrels per day in four weeks
- Russian President Vladimir Putin on Thursday said Moscow did not rule out extending Opec+ oil output cuts but that assurance did not offset the expectations for rising Libyan output and demand worries

Global Price Performance

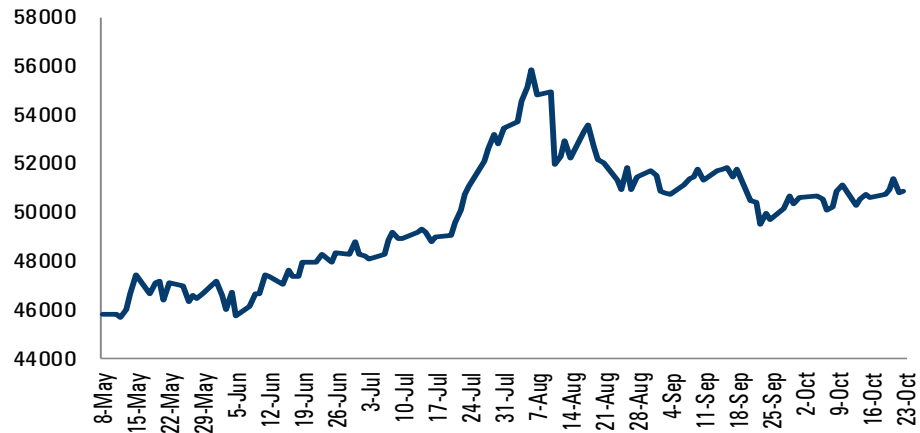
Exchange	Commodity	LTP (\$)	Change	% Change
COMEX	GOLD	1904.00	-0.60	-0.03%
COMEX	SILVER	24.69	-0.02	-0.07%
NYMEX	CRUDE OIL	39.75	-0.89	-2.19%
NYMEX	NATURAL GAS	3.17	0.00	0.00%
LME	COPPER	6875.75	-31.00	-0.45%
LME	NICKEL	15607.50	-190.00	-1.20%
LME	LEAD	1779.00	-15.75	-0.88%
LME	ZINC	2549.00	-17.50	-0.68%

MCX Price Performance

Commodity	Expiry	LTP (₹)	Change	% Change
GOLD	Dec-20	50866	100	0.20%
SILVER	Dec-20	62425	-190	-0.30%
CRUDE OIL	Nov-20	2938	-60	-2.00%
NATURAL GAS	Nov-20	237.30	0.00	0.00%
COPPER	Nov-20	534.10	0.00	0.00%
NICKEL	Nov-20	1161.30	0.00	0.00%
LEAD	Nov-20	147.00	0.00	0.00%
ZINC	Nov-20	201.50	0.00	0.00%

Source: Bloomberg, Reuters, ICICI Direct Research

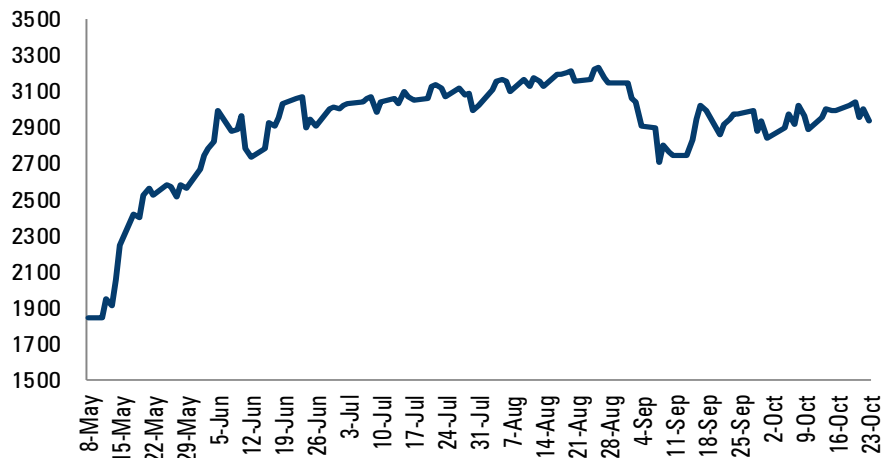
MCX Gold Daily Chart



Bullion Outlook

- Gold prices started Friday's trade on a positive note opening slightly higher and rose further in the first half of the session till a high of ₹ 51040. However, prices did not sustain at higher levels and corrected gradually in most of the session till a low of ₹ 50643
- Prices have been moving in a narrow range as scepticism over a US fiscal stimulus before presidential elections dented bullion's appeal as a hedge against inflation
- Therefore, we believe gold prices will remain in the range of ₹ 50500-51200 in the short-term

MCX Crude Oil Daily Chart



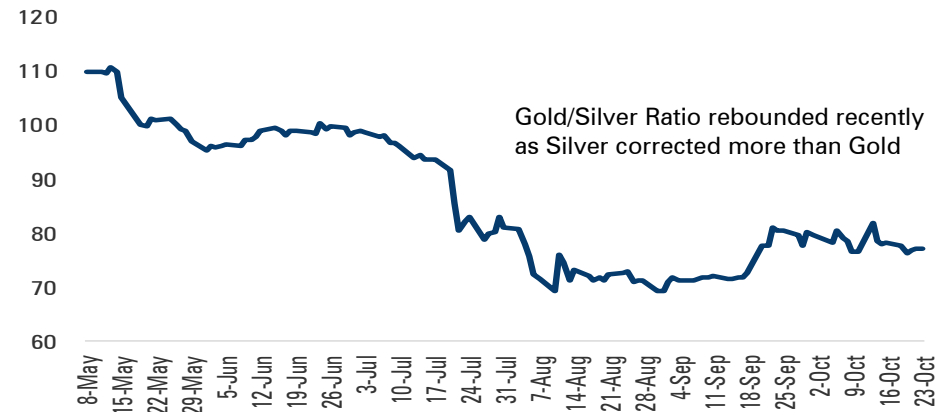
Energy Outlook

- Crude oil prices opened flat on Friday and fell gradually during most of the session till a low of ₹ 2926
- Prices have fallen sharply in the last session as expectations of a further increase in Libyan crude output along with a surge in new daily Covid-19 infection numbers in the US and Europe kept prices under pressure
- Hence, we expect crude prices to fall further towards ₹ 2860 in the short-term

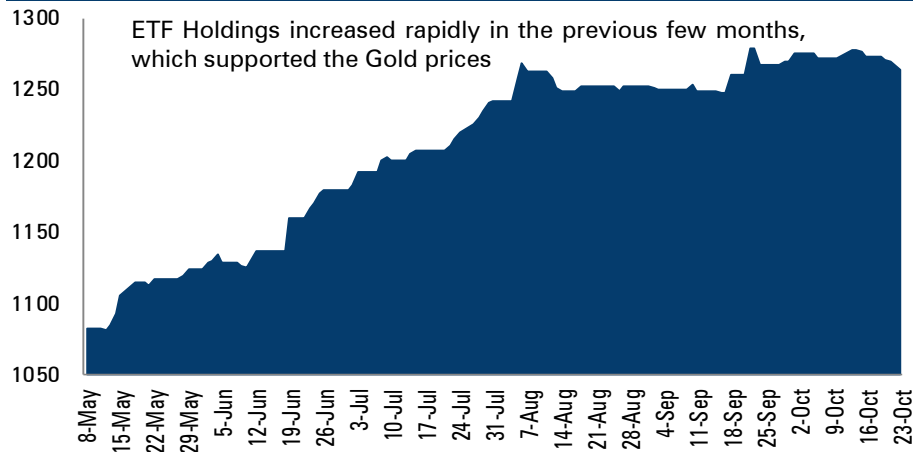
Daily Pivot Levels

Commodity	Expiry	S2	S1	Pivot	R1	R2
GOLD	Dec-20	50453	50659	50850	51056	51247
SILVER	Dec-20	61515	61970	62518	62973	63521
CRUDE OIL	Nov-20	2868	2903	2961	2996	3054
NATURAL GAS	Nov-20	237.3	237.3	237.3	237.3	237.3
COPPER	Nov-20	534.1	534.1	534.1	534.1	534.1
NICKEL	Nov-20	1161.3	1161.3	1161.3	1161.3	1161.3
LEAD	Nov-20	147.0	147.0	147.0	147.0	147.0
ZINC	Nov-20	201.5	201.5	201.5	201.5	201.5

Gold/Silver Ratio



SPDR Gold Holdings (Tonnes)



Standard & Poor's Depository Receipt (ETF) Holdings

US Crude Oil Inventories (Barrels)

Release Date	Time (IST)	Actual	Forecast	Previous
Oct 21, 2020	8:00 PM	-1.001M	-1.021M	-3.818M
Oct 15, 2020	8:30 PM	-3.818M	-2.835M	0.501M
Oct 07, 2020	8:00 PM	0.501M	0.294M	-1.980M
Sep 30, 2020	8:00 PM	-1.980M	1.569M	-1.639M
Sep 23, 2020	8:00 PM	-1.639M	-2.325M	-4.389M
Sep 16, 2020	8:00 PM	-4.389M	1.271M	2.032M

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 (IST)	COUNTRY	DATA & EVENTS	ACTUAL	FORECAST	PREVIOUS
7:30 PM	US	New Home Sales (Sep)	-	1,025K	1,011K
7:30 PM	US	New Home Sales (MoM) (Sep)	-	2.8%	4.8%

Source: Bloomberg, Reuters, ICICI Direct Research

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Source: Bloomberg, Reuters, ICICI Direct Research

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