

January 14, 2021

Daily Commodities Outlook

Daily Recommendations						
Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Lead	Jan	Buy	164-164.50	169	161.50	Intraday
Crude oil	Jan	Sell	3890-3895	3830	3930	Intraday

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Recent Developments

- Gold eked out gains on Wednesday, underpinned by data showing a rise in consumer prices in the US and expectations that more fiscal stimulus from a Joe Biden administration could trigger higher inflation
- The US Labour Department on Wednesday said its consumer price index increased 0.4% last month after gaining 0.2% in November
- US President-elect Joe Biden said he would unveil a plan on Thursday to provide trillions of dollars of support for the American economy as it grapples with the Coronavirus crisis
- Gold's advance came despite benchmark 10-year treasury yields hovering close to their highest in nearly 10 months and a firmer dollar, making gold more expensive for holders of other currencies
- Oil prices were little changed on Wednesday, supported by a bigger-than-expected drop in US crude inventories but under pressure as rising global Covid-19 cases threatened global fuel demand
- Copper prices held steady on Wednesday as low inventories and prospects of healthy demand this year were offset by a firmer dollar and below-consensus data from top consumer China

Global Price Performance

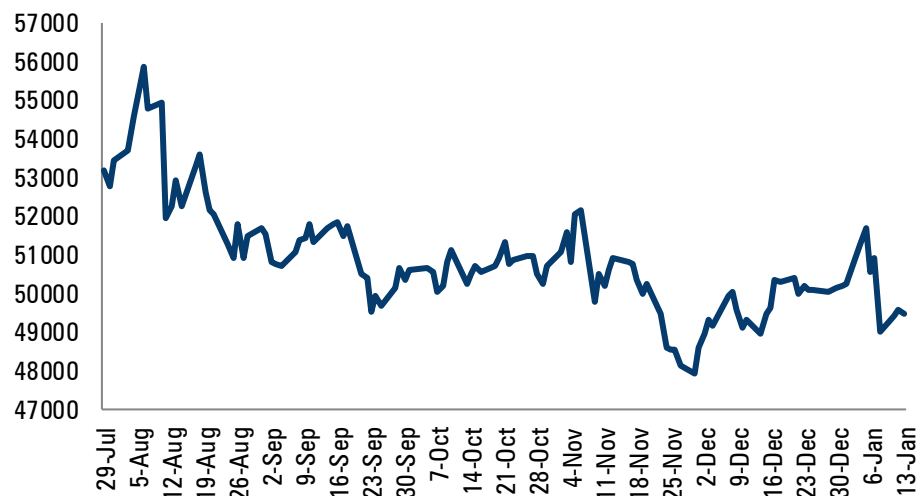
Exchange	Commodity	LTP (\$)	Change	% Change
COMEX	GOLD	1857.80	13.60	0.74%
COMEX	SILVER	25.56	0.12	0.48%
NYMEX	CRUDE OIL	52.96	-0.25	-0.47%
NYMEX	NATURAL GAS	2.78	0.02	0.80%
LME	COPPER	8001.25	-3.50	-0.04%
LME	NICKEL	17697.50	25.00	0.14%
LME	LEAD	2049.25	20.00	0.99%
LME	ZINC	2781.50	-3.50	-0.13%

MCX Price Performance

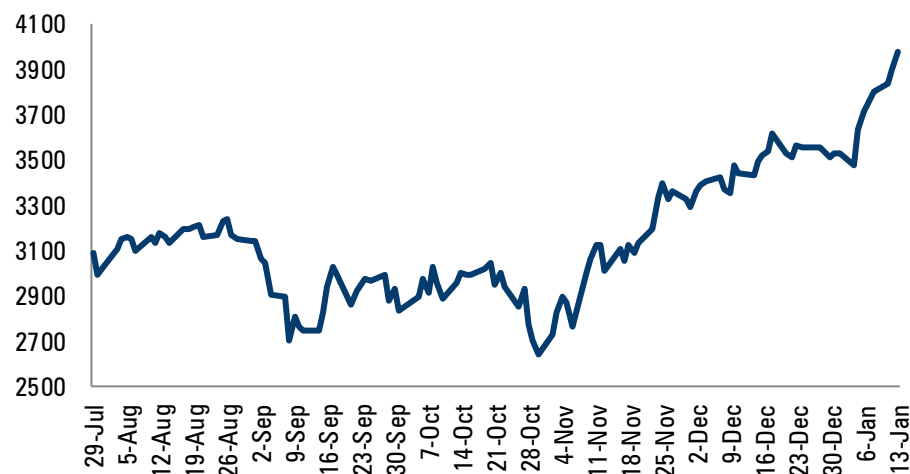
Commodity	Expiry	LTP (₹)	Change	% Change
GOLD	Feb-21	49296	251	0.51%
SILVER	Mar-21	65930	24	0.04%
CRUDE OIL	Jan-21	3874	-12	-0.31%
NATURAL GAS	Jan-21	203.20	-4.00	-1.93%
COPPER	Jan-21	611.95	1.00	0.16%
NICKEL	Jan-21	1284.60	-2.90	-0.23%
LEAD	Jan-21	164.40	5.15	3.23%
ZINC	Jan-21	218.95	-0.05	-0.02%

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Gold Daily Chart



MCX Crude Oil Daily Chart



Bullion Outlook

- Gold prices opened strongly higher on Wednesday and consolidated during most of the session in the range of ₹ 49200-49400 levels
- Prices remained supported in the last few sessions as the prospect of massive US fiscal stimulus boosted the metal's appeal as an inflation hedge
- Overall, we expect gold prices to remain in the range of ₹ 48600-49600 levels for the short-term

Energy Outlook

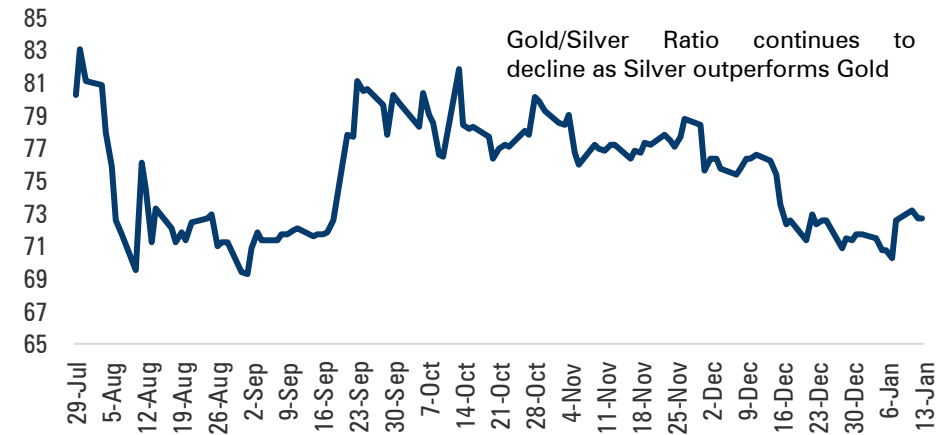
- Crude oil prices started Wednesday's trade on a strong note opening higher with a gap and made almost a one-year high of ₹ 3976. However, prices did not sustain at higher levels and fell gradually during most of the session till a low of ₹ 3850
- Prices started a correction in the last session as rising Covid-19 cases that continue to spur restrictions on travel and other activities by governments across the world limited fuel consumption
- Therefore, we expect crude prices to correct towards ₹ 3830 level in the short-term

Source: Bloomberg, Reuters, ICICI Direct Research

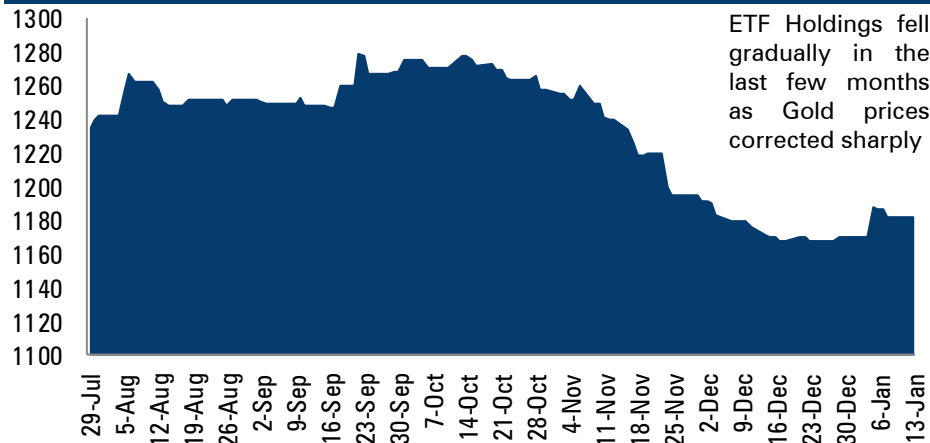
Daily Pivot Levels

Commodity	Expiry	S2	S1	Pivot	R1	R2
GOLD	Feb-21	48974	49135	49291	49452	49608
SILVER	Mar-21	64534	65232	65866	66564	67198
CRUDE OIL	Jan-21	3774	3824	3900	3950	4026
NATURAL GAS	Jan-21	195.5	199.3	203.2	207.0	210.9
COPPER	Jan-21	605.3	608.6	612.5	615.8	619.7
NICKEL	Jan-21	1258.7	1271.7	1286.8	1299.8	1314.9
LEAD	Jan-21	157.4	160.9	162.9	166.4	168.3
ZINC	Jan-21	217.1	218.0	219.1	220.1	221.2

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
13-Jan-21	9:00 PM	-3.247M	-2.266M	-8.010M
6-Jan-21	9:00 PM	-8.010M	-2.133M	-6.065M
30-Dec-20	9:00 PM	-6.065M	-2.583M	-0.562M
23-Dec-20	9:00 PM	-0.562M	-3.186M	-3.135M
16-Dec-20	9:00 PM	-3.135M	-1.937M	15.189M
9-Dec-20	9:00 PM	15.189M	-1.424M	-0.679M

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	FORECAST	PREVIOUS
8:30 AM	China	Exports (YoY) (Dec)	15.0%	21.1%
8:30 AM	China	Imports (YoY) (Dec)	5.0%	4.5%
8:30 AM	China	Trade Balance (USD) (Dec)	72.35B	75.40B
12:00 PM	India	WPI Inflation (YoY) (Dec)	1.30%	1.55%
6:00 PM	Euro Zone	ECB Monetary Policy Statement	-	-
7:00 PM	US	Export Price Index (MoM) (Dec)	0.5%	0.6%
7:00 PM	US	Import Price Index (MoM) (Dec)	0.6%	0.1%
7:00 PM	US	Initial Jobless Claims	780K	787K
9:00 PM	US	Natural Gas Storage	-129B	-130B
11:00 PM	US	Fed Chair Powell Speaks	-	-

Source: Bloomberg, Reuters, ICICI Direct Research

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Source: Bloomberg, Reuters, ICICI Direct Research

ANALYST CERTIFICATION

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