

Bullion

Gold prices surged over 1% on Thursday, reaching their highest level in two weeks, fueled by indications of economic slowdown in the US prompting expectations of Federal Reserve interest rate cuts this year.

Recent data showing a decline in jobless claims suggested a stable labor market, but soft retail sales and ongoing economic lethargy in the second quarter bolstered bets on monetary easing.

With markets pricing in a significant probability of a Fed rate cut in September, alongside safe-haven demand driven by global uncertainties and central bank buying, gold maintained its rally from March to May, peaking at record highs on May 20.

Silver

On Thursday, spot silver ended 3.20 percent higher, closing at \$30.7 per ounce whereas MCX Silver ended 2.45 percent higher at Rs.91665/kg.

Outlook

Gold prices are expected to remain buoyant today, driven ongoing expectations of Federal Reserve interest rate cuts.

Technical Outlook

valid on 21st Jun 2024

BULLION	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX BULLDEX JUN'24	18210	18550	19160	19460
GOLD - AUG'24	72010	72330	72950	73240
SPOT GOLD	2299	2348	2465	2563
SILVER - JUL'24	89210	90350	92820	93970
SPOT SILVER	29.75	30.10	30.89	31.20

Market Highlights (% change)

as on 20th Jun 2024

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	83.6	0.19	0.09	0.23	1.78
Euro/\$ (Spot)	89.4	-0.15	0.08	-1.12	0.45
Dollar Index	105.6	0.32	0.04	0.88	3.01
NIFTY	23567.0	0.22	0.43	4.60	35.76
SENSEX	77478.9	0.18	0.63	4.76	31.34

Source: Refinitiv

Market Highlights Gold (% change)

as on 20th Jun 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	2359.6	1.38	1.16	1.40	19.91
Gold (Spot - Mumbai)	72390.0	0.32	0.79	-1.50	21.05
Comex	2353.8	1.00	0.96	1.33	19.54
MCX Gold	72586.0	1.19	0.86	0.97	22.19
MCX BULLDEX	18790	1.48	1.41	0.57	#N/A

(Comex, Gold spot in \$ per ounce, MCX, Gold spot Mumbai in Rs/10 gms) Source: Refinitiv

Market Highlights Silver (% change)

as on 20th Jun 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	30.7	3.20	3.96	1.10	27.57
Silver (Spot - Mumbai)	92450.0	33.21	2.14	-3.14	24.93
Comex	30.8	4.31	4.67	1.58	27.83
MCX Silver	91665.0	2.45	2.89	0.10	26.93

(Comex in \$ per ounce, MCX, Silver spot in Rs/kg)

Source: Refinitiv

Energy

Crude Oil

Oil futures rose on Thursday following a report from the US Energy Information Administration (EIA) showing a decrease in crude oil inventories by 2.5 million barrels for the week ending June 14, surpassing analysts' expectations of a 2.2 million-barrel decline.

The market also responded positively to data indicating a moderation in new jobless claims, fueling optimism that the Federal Reserve might lower interest rates in the near term.

This potential rate cut could bolster oil prices by reducing borrowing costs in the US, stimulating demand in the world's largest economy amidst a backdrop of subdued global oil consumption this year.

Outlook

Crude oil prices are likely to remain high backed by larger-than-expected draw in inventories and optimism around potential US interest rate cuts boosting demand outlook.

Technical Outlook

valid on 21st Jun 2024

Crude	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX CRUDE JUL'24 (RS/BBL)	6420	6640	6930	7060
WTI CRUDE OIL (\$/BBL)	77.30	79.50	82.90	83.50
BRENT CRUDE OIL (\$/BBL)	77.20	81.10	87.10	89.60
MCX NATURAL GAS JUN'24	217	223	235	239

Market Highlight Crude Oil (% change) as on 20th Jun 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	87.1	0.32	5.36	8.08	9.52
NYMEX CRUDE	82.2	0.74	4.74	6.73	8.59
ICE BRENT CRUDE	85.7	0.75	3.74	5.01	7.45
MCX CRUDE	6799.0	0.98	3.42	5.36	9.68

(Brent & NYMEX Crude in \$ per bbl, MCX Crude in Rs/bbl)

Source: Refinitiv

Market Highlight Natural Gas (% change) as on 20th Jun 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.7	-5.78	-4.86	5.95	23.69
MCX NG	239.1	-3.90	-3.98	7.27	17.03

(NYMEX NG in \$/MMBtu, MCX NG in Rs/MMBtu)

Source: Refinitiv

Base Metals

Copper prices climbed for the third consecutive day on Thursday, buoyed by optimism over increased demand from China following recent price declines and as global stock markets reached record highs.

Despite hitting record highs in May driven by expectations from the green energy sector, copper prices have faced pressure from tepid economic data out of China and uncertainty surrounding interest rates.

Additionally, LME-registered warehouse data showed copper stockpiles at their highest since January 4, adding to market dynamics.

Looking forward, Macquarie forecasts a minor deficit in the global copper market for 2024, followed by surpluses in 2025-2027 before a potential deficit reemerges, potentially pushing copper prices to \$11,500 per ton by 2028.

Outlook

Renewed optimism on Chinese demand might see copper prices inch higher.

Technical Outlook valid on 21st Jun 2024

	Support		Resistance	
Base metals (Rs/Kg)				
MCXMETLDEX JUL'24	16980	17330	17930	18320
LME COPPER (\$/TONNE)	9630	9720	9980	10140
COPPER JUN'24	846.00	853.10	868.90	875.80
ZINC JUN'24	251.10	257.20	267.80	273.70
LEAD MJUN'24	179.60	183.60	193.40	197.80
ALUMINIUM JUN'24	224.20	228.40	236.60	243.10

Market Highlights Base Metals (% change) as on 20th Jun 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME COPPER (3 MONTH)	9858.0	0.74	1.20	-1.81	9.62
MCX COPPER	861.9	0.86	0.60	-1.38	9.80
LME ALUMINIUM (3 MONTH)	2521.5	0.90	0.16	-4.94	4.50
MCX ALUMINIUM	232.5	0.65	-0.02	-5.66	12.73
LME NICKEL (3 MONTH)	17424.0	0.30	-0.86	-11.60	-26.91
MCX NICKEL	1473.8	0.51	-1.91	-13.56	-27.04
LME LEAD (3 MONTH)	2216.5	0.82	3.60	-2.49	5.20
MCX LEAD	188.8	0.16	0.85	-1.49	4.60
LME ZINC (3 MONTH)	2873.5	0.16	3.83	-3.23	-1.68
MCX ZINC	262.1	0.46	2.62	-3.05	3.15

(LME IN \$/Tonne, MCX in Rs/kg)

Source: Refinitiv

LME Inventories in tonnes

COMMODITY	20/06/24	19/06/24	CHG	%CHG
COPPER	161925	158700	3225	2.03%
ALUMINIUM	1061000	1066575	-5575	-0.52%
NICKEL	90396	89562	834	0.93%
ZINC	244375	247100	-2725	-1.10%
LEAD	226575	226950	-375	-0.17%

Source: Refinitiv

Economic Indicator to be released on 21-Jun-24

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Retail Sales m/m	UK	11:30am	-	1.6%	-2.3%	High
French Flash Manufacturing PMI	EUR	12:45pm	-	46.8	46.4	High
French Flash Services PMI	EUR	12:45pm	-	50.0	49.3	High
German Flash Manufacturing PMI	EUR	1:00pm	-	46.4	45.4	High
German Flash Services PMI	EUR	1:00pm	-	54.4	54.2	High
Flash Manufacturing PMI	EUR	1:30pm	-	48.0	47.3	Medium
Flash Services PMI	EUR	1:30pm	-	53.5	53.2	Medium
Flash Manufacturing PMI	UK	2:00pm	-	51.3	51.2	High
Flash Services PMI	UK	2:00pm	-	53.0	52.9	High
Flash Manufacturing PMI	US	7:15pm	-	51.0	51.3	High
Flash Services PMI	US	7:15pm	-	53.4	54.8	High
Existing Home Sales	US	7:30pm	-	4.08M	4.14M	Medium

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