

## Bullion

Gold prices edged marginally higher after softer-than-expected U.S. retail sales data cemented hopes that the Federal Reserve will reduce interest rates this year, sending the dollar and Treasury yields lower.

U.S. retail sales rose 0.1% last month, falling short of the 0.3% forecast by economists. Throughout the week, gold prices surged over 1%, reaching their highest level in two weeks, driven by indications of an economic slowdown in the U.S. and expectations of Fed interest rate cuts.

While recent data indicated a stable labor market with a decline in jobless claims, soft retail sales and ongoing economic lethargy bolstered bets on monetary easing.

Despite a rally from March to May, which saw gold peaking at record highs on May 20, prices have since dropped nearly 6%.

A pause in gold purchases by China's central bank and strong U.S. business activity, leading to a stronger dollar and higher bond yields, contributed to the drop in gold prices.

## Silver

On Friday, spot silver ended 3.87 percent lower, closing at \$29.5 per ounce whereas MCX Silver ended 2.76 percent lower at Rs.89139/kg.

## Outlook

Gold prices are expected to witness gains as ongoing economic concerns and expectations of Fed interest rate cuts support safe-haven demand.

### Technical Outlook

valid on 24<sup>th</sup> Jun 2024

BULLION	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX BULLDEX JUL'24	17970	18220	18790	19210
GOLD - AUG'24	70980	71320	71950	72340
SPOT GOLD	2273	2302	2375	2433
SILVER - JUL'24	87210	88350	90820	91970
SPOT SILVER	28.75	29.10	29.89	30.20

## Market Highlights (% change)

as on 21<sup>st</sup> Jun 2024

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	83.6	-0.07	0.01	0.16	1.70
Euro/\$ (Spot)	89.3	-0.17	-0.10	-1.29	0.28
Dollar Index	105.8	0.20	0.23	1.07	3.21
NIFTY	23501.1	-0.28	0.15	4.31	35.38
SENSEX	77209.9	-0.35	0.28	4.39	30.88

Source: Refinitiv

## Market Highlights Gold (% change)

as on 21<sup>st</sup> Jun 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	2320.3	-1.66	-0.52	-0.28	17.91
Gold (Spot - Mumbai)	73080.0	0.95	1.75	-0.56	22.21
Comex	2316.4	-1.59	-0.64	-0.28	17.64
MCX Gold	71584.0	-1.38	-0.53	-0.42	20.51
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 21<sup>st</sup> Jun 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	29.5	-3.87	-0.07	-2.81	22.63
Silver (Spot - Mumbai)	94100.0	35.59	3.97	-1.41	27.16
Comex	29.6	-3.91	0.58	-2.39	22.83
MCX Silver	89139.0	-2.76	0.06	-2.65	23.43

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

Source: Refinitiv

## Energy

### Crude Oil

Benchmark crude prices saw positive momentum continuing for another week, despite a 1% dip on Friday due to concerns that global oil demand growth could be affected by a strong U.S. dollar and negative economic news from some regions.

This decline occurred even as U.S. oil demand improved and fuel inventories fell, pushing crude prices to a seven-week high earlier in the week.

The U.S. dollar strengthened to a seven-week high against a basket of currencies, as the Federal Reserve maintained a cautious stance on interest rate cuts, contrasting with more dovish policies elsewhere.

The Fed's aggressive interest rate hikes in 2022 and 2023 to control inflation have increased borrowing costs, potentially slowing economic growth and reducing oil demand.

Nonetheless, oil prices edged closer to their highest levels in seven weeks, driven by declining inventories and signs of improved U.S. demand.

### Outlook

Crude prices are likely to remain higher as the market weighs improved U.S. demand and falling inventories.

#### Technical Outlook

valid on 24<sup>th</sup> Jun 2024

Crude	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX CRUDE JUL'24 (RS/BBL)	6580	6690	6870	6960
WTI CRUDE OIL (\$/BBL)	77.30	79.50	82.90	83.50
BRENT CRUDE OIL (\$/BBL)	79.20	82.10	87.10	89.60
MCX NATURAL GAS JUL'24	223	231	245	252

### Market Highlight Crude Oil (% change) as on 21<sup>st</sup> Jun 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	87.6	0.57	5.97	8.70	10.15
NYMEX CRUDE	80.7	-1.75	2.91	4.86	6.69
ICE BRENT CRUDE	85.2	-0.55	3.17	4.44	6.86
MCX CRUDE	6746.0	-0.78	2.62	4.54	8.82

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

Source: Refinitiv

### Market Highlight Natural Gas (% change) as on 21<sup>st</sup> Jun 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.7	-1.31	-6.11	4.56	22.07
MCX NG	237.7	-0.59	-4.54	6.64	16.35

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

Source: Refinitiv

## Base Metals

Copper prices rebounded from two-month lows this week as the dollar's earlier gains were trimmed following slower-than-expected U.S. retail sales growth, boosting the case for Federal Reserve interest rate cuts.

While U.S. retail sales barely rose in May and the previous month's data was revised lower, suggesting weak economic activity, the softer dollar made copper affordable for non-U.S. buyers.

However, the rise in copper prices was limited by high inventories, with stocks in LME's registered warehouses reaching a six-month peak.

Optimism over increased Chinese demand provided some support, but prices slipped on Friday due to concerns over surplus supplies and sluggish demand in China, where the weakening yuan made dollar-priced commodities more expensive.

The abundant supply in China, reflected by SHFE copper stocks surging tenfold since the start of the year, added further pressure.

Additionally, the global refined copper market showed a surplus of 13,000 tons in April and 299,000 tons in the first four months of the year, highlighting the ongoing supply glut.

## Outlook

Copper prices are expected to remain under pressure due to concerns over surplus supplies and weak demand from China.

### Technical Outlook valid on 24<sup>th</sup> Jun 2024

	Support		Resistance	
<b>Base metals (Rs/Kg)</b>				
MCXMETLDEX JUL'24	16780	17030	17730	18120
LME COPPER (\$/TONNE)	9560	9610	9780	9840
COPPER JUL'24	835.00	843.10	857.90	865.80
ZINC JUL'24	248.10	253.20	261.80	267.70
LEAD JUL'24	179.60	183.60	193.40	197.80
ALUMINIUM JUL'24	224.20	228.40	236.60	243.10

## Market Highlights Base Metals (% change) as on 21<sup>st</sup> Jun 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME COPPER (3 MONTH)	9682.5	-1.78	-0.61	-3.56	7.67
MCX COPPER	847.2	-1.71	-1.12	-3.06	7.93
LME ALUMINIUM (3 MONTH)	2513.5	-0.32	-0.16	-5.24	4.16
MCX ALUMINIUM	232.7	0.11	0.09	-5.56	12.85
LME NICKEL (3 MONTH)	17224.0	-1.15	-2.00	-12.61	-27.75
MCX NICKEL	1470.8	-0.20	-2.11	-13.74	-27.19
LME LEAD (3 MONTH)	2191.0	-1.15	2.41	-3.61	3.99
MCX LEAD	188.5	-0.16	0.69	-1.64	4.43
LME ZINC (3 MONTH)	2844.0	-1.03	2.76	-4.23	-2.69
MCX ZINC	263.0	0.36	3.00	-2.70	3.52

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

Source: Refinitiv

## LME Inventories in tonnes

COMMODITY	21/06/24	20/06/24	CHG	%CHG
COPPER	165175	161925	3250	2.01%
ALUMINIUM	1055425	1061000	-5575	-0.53%
NICKEL	90450	90396	54	0.06%
ZINC	242525	244375	-1850	-0.76%
LEAD	225275	226575	-1300	-0.57%

Source: Refinitiv

### Economic Indicator to be released on 24-Jun-24

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
FOMC Member Waller Speaks	US	12:30pm	-	-	-	Medium
German ifo Business Climate	EUR	1:30pm	-	89.4	89.3	Medium

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