

October 1, 2021

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	Oct	Buy	695-696	705	689	Intraday
Metldex	Oct	Buy	15680-15700	15900	15600	Intraday

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Recent Developments

- MCX BULLDEX traded 1.68% higher around 13768 as gold and silver prices rallied sharply. MCX METLDEX traded 1.43% lower around 15731 as all base metals fell sharply
- Gold prices rallied by almost 2% on Thursday amid risk aversion in the global markets and disappointing jobs data from the US. US unemployment claims data showed the number of people filling for jobless claims increased raising concerns that the labour market is softening. Additionally, investors remained cautious ahead of US Federal Reserve Chair Jerome Powell and Treasury Secretary Janet Yellen's testimony before lawmakers
- Mr Powell said inflation is well above the bank's 2% target and the economy is far away from full employment. Ms Yellen reiterated her plea that lawmakers move quickly to raise the federal borrowing limit
- Oil prices erased their losses on news that China was prepared to buy more oil to meet growing demand. However, sharp upside was capped on a strong dollar and rise in crude oil stockpiles
- US natural gas futures rose over 6% on worries that Europe will not have enough gas storage for winter heating season
- Copper prices slipped on stronger dollar and risk off mood globally. Further, China's manufacturing activity contracted in September. Market fears that electricity curbs in China may dampen manufacturing are hurting demand for metals

Global Price Performance

Exchange	Commodity	LTP (\$)	Change	% Change
COMEX	GOLD	1756.90	34.00	1.97%
COMEX	SILVER	22.14	0.66	3.05%
NYMEX	CRUDE OIL	75.17	0.34	0.45%
NYMEX	NATURAL GAS	5.82	0.34	6.17%
LME	COPPER	8951.00	-207.50	-2.27%
LME	NICKEL	17972.50	-302.50	-1.66%
LME	LEAD	2111.00	-27.25	-1.27%
LME	ZINC	3014.50	-33.50	-1.10%

MCX Price Performance

Commodity	Expiry	LTP (₹)	Change	% Change
GOLD	Oct-21	46326	741.00	1.63%
SILVER	Dec-21	59600	1214.00	2.08%
CRUDE OIL	Oct-21	5584	8.00	0.14%
NATURAL GAS	Oct-21	432.40	24.40	5.98%
COPPER	Oct-21	698.40	-12.30	-1.73%
NICKEL	Oct-21	1387.00	-25.80	-1.83%
LEAD	Oct-21	181.15	-1.65	-0.90%
ZINC	Oct-21	252.50	-4.25	-1.66%

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Gold Daily Chart



MCX Crude Oil Daily Chart



Bullion Outlook

• MCX gold prices rose 1.63% taking cues from international gold prices. In the early trading session, prices corrected till a low of ₹ 45705. However, prices failed to sustain at lower levels and rallied sharply in remaining session till a high of ₹ 46687

• Gold prices are expected to correct today on the back of a strong dollar. Further, investors will take cues from core PCE price index data. Market participant fears that elevated inflation may push the Fed to start tapering stimulus sooner to reduce inflation pressure despite a slack in the labour market

• Hence, we expect gold prices to trade in the range of ₹ 46200-46700 levels for the day

Energy Outlook

• MCX crude oil prices rose by 0.14% taking cues from international prices. Prices opened lower with a gap and made a low of ₹ 5432. However, prices did not sustain at lower levels and recovered in the remaining session till a high of ₹ 5648

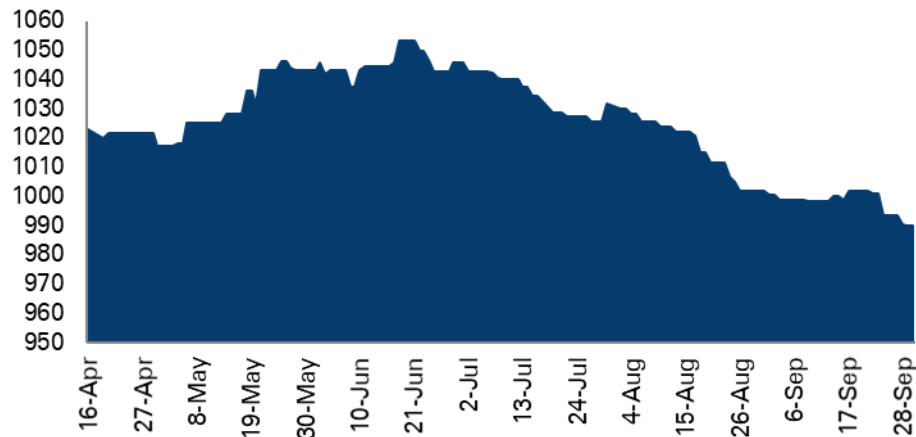
• Crude oil prices are expected to trade with a negative bias on news that Opec+ may consider adding more oil into the market when it meets next week. Further, oil may slip on a strong dollar, risk off mood globally and rise in crude oil stockpiles

• Therefore, we expect crude prices to correct towards ₹ 5450 level for the day

Daily Pivot Levels

Commodity	Expiry	S2	S1	Pivot	R1	R2
GOLD	Oct-21	45123	45725	46080	46682	47037
SILVER	Dec-21	57526	58563	59187	60224	60848
CRUDE OIL	Oct-21	5339	5461	5555	5677	5771
NATURAL GAS	Oct-21	397.6	415.0	423.7	441.1	449.8
COPPER	Oct-21	680.4	689.4	701.0	710.0	721.7
NICKEL	Oct-21	1337.0	1362.0	1393.6	1418.6	1450.2
LEAD	Oct-21	176.4	178.8	181.1	183.4	185.7
ZINC	Oct-21	245.9	249.2	252.9	256.2	259.8

SPDR Gold Holdings (Tonnes)



Standard & Poor's Depository Receipt (ETF) Holdings

Gold/Silver Ratio



US Crude Oil Inventories (Barrels)

Release Date	Time (IST)	Actual	Forecast
29-Sep-21	8:00 PM	4.578M	-1.652M
22-Sep-21	8:00 PM	-3.481M	-2.440M
15-Sep-21	8:00 PM	-6.422M	-3.544M
9-Sep-21	8:30 PM	-1.529M	-4.612M
1-Sep-21	8:00 PM	-7.169M	-3.088M
25-Aug-21	8:00 PM	-2.979M	-2.683M

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
11:30 AM	Europe	German Retail Sales (MoM)	1.5%	-5.1%
2:30 PM	Europe	CPI (YoY)	3.3%	3.0%
6:00 PM	US	Core PCE Price Index (YoY)	3.6%	3.6%
7:30 PM	US	ISM Manufacturing PMI	59.6	59.9

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Source: Bloomberg, Reuters, ICICI Direct Research

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