

February 12, 2021

## Daily Commodities Outlook

Daily Recommendations						
Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	Feb	Buy	636-636.50	641	633	Intraday
Crude oil	Feb	Sell	4250-4255	4190	4295	Intraday

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## Recent Developments

- Gold edged lower on Thursday as the dollar's recovery from a two-week trough hit in the previous session and softer US inflation data dampened bullion's appeal
- The US Consumer Price Index for January came in lower than expected. Gold is considered a hedge against inflation
- US Federal Reserve Chair Jerome Powell in a speech on Wednesday emphasised on the need for fiscal policy and said it is not the right time to focus on federal debt issues. Investors kept a close watch on the developments on the passage of a \$1.9 trillion US relief bill
- Oil prices steadied on Thursday from a record streak of gains after both Opec and the International Energy Agency (IEA) said renewed lockdowns and the emergence of new Coronavirus variants reduced the prospects of a swift demand recovery
- World oil demand in 2021 will rebound more slowly than previously thought, the Organization of Petroleum Exporting Countries (Opec) said, adding to a series of downgrades as the impact of the pandemic lingers
- The IEA, meanwhile, said global oil supply was still outstripping demand due to persistent Covid-19 lockdowns and the spread of variants but vaccines should help demand recover and soon enable producers to pump more

## Global Price Performance

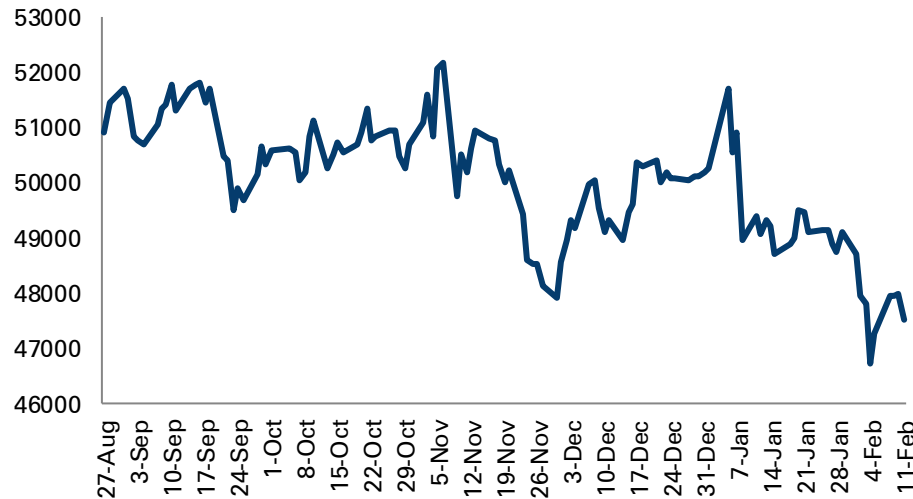
Exchange	Commodity	LTP (\$)	Change	% Change
COMEX	GOLD	1824.65	-18.05	-0.98%
COMEX	SILVER	26.96	-0.12	-0.45%
NYMEX	CRUDE OIL	58.37	-0.31	-0.53%
NYMEX	NATURAL GAS	2.86	-0.06	-1.89%
LME	COPPER	8281.25	3.00	0.04%
LME	NICKEL	18600.00	-112.50	-0.60%
LME	LEAD	2111.75	28.50	1.37%
LME	ZINC	2792.25	64.25	2.36%

## MCX Price Performance

Commodity	Expiry	LTP (₹)	Change	% Change
GOLD	Apr-21	47485	-528.00	-1.10%
SILVER	Mar-21	68442	-484.00	-0.70%
CRUDE OIL	Feb-21	4248	-37.00	-0.86%
NATURAL GAS	Feb-21	208.00	-3.30	-1.56%
COPPER	Feb-21	636.20	-1.15	-0.18%
NICKEL	Feb-21	1350.90	-7.60	-0.56%
LEAD	Feb-21	169.95	2.70	1.61%
ZINC	Feb-21	221.65	4.75	2.19%

Source: Bloomberg, Reuters, ICICI Direct Research

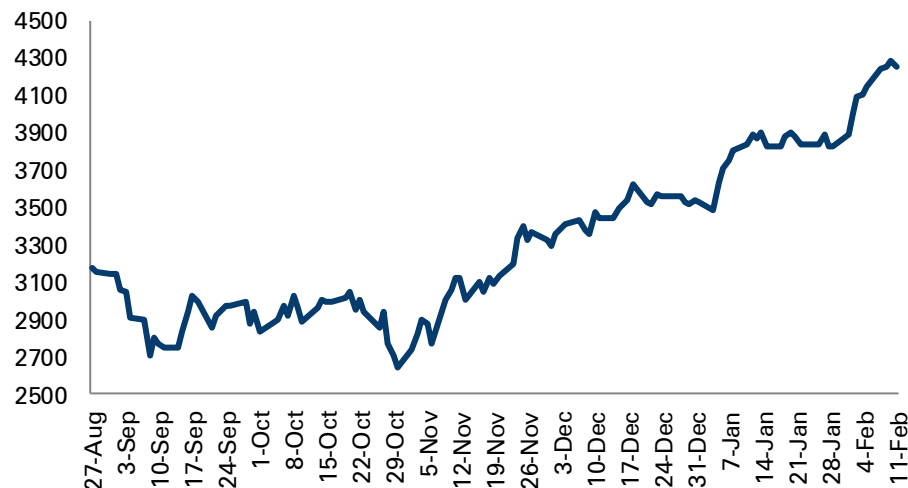
## MCX Gold Daily Chart



## Bullion Outlook

- Gold prices opened slightly lower with a gap on Thursday and recovered gradually during the first half of the session till a high of ₹ 48100. However, prices did not sustain at higher levels and corrected sharply in the remaining session till a low of ₹ 47456
- Prices fell sharply in the last session as weaker US inflation data diminished bullion's appeal although a softer dollar and lower treasury yields kept losses in check
- Overall, we expect gold prices to consolidate in the range of ₹ 47300-48100 levels in the short-term

## MCX Crude Oil Daily Chart



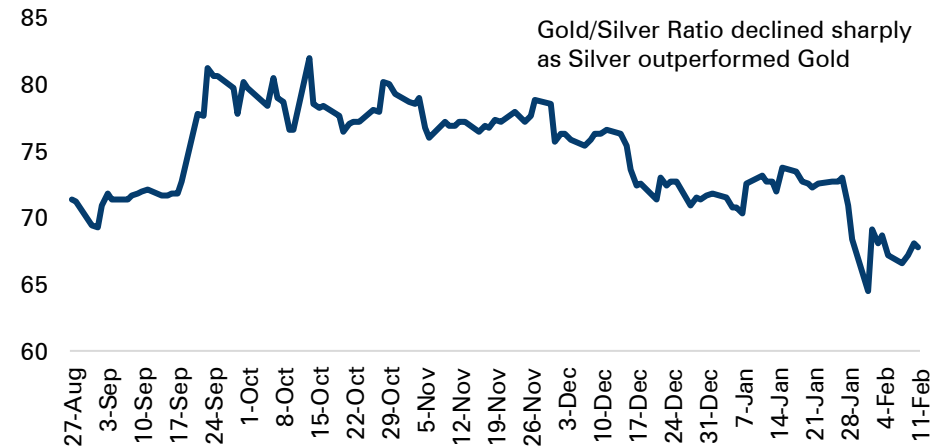
## Energy Outlook

- Crude oil prices started Thursday's trade on a weak note opening lower with a gap and consolidated during most of the session in the range of ₹ 4235-4270 levels
- Prices have corrected in the last session as continuous struggle caused by emerging variants of the virus and doubts about the efficacy of vaccines dampened sentiments
- Therefore, we expect crude prices to correct further towards ₹ 4180 level in the short-term

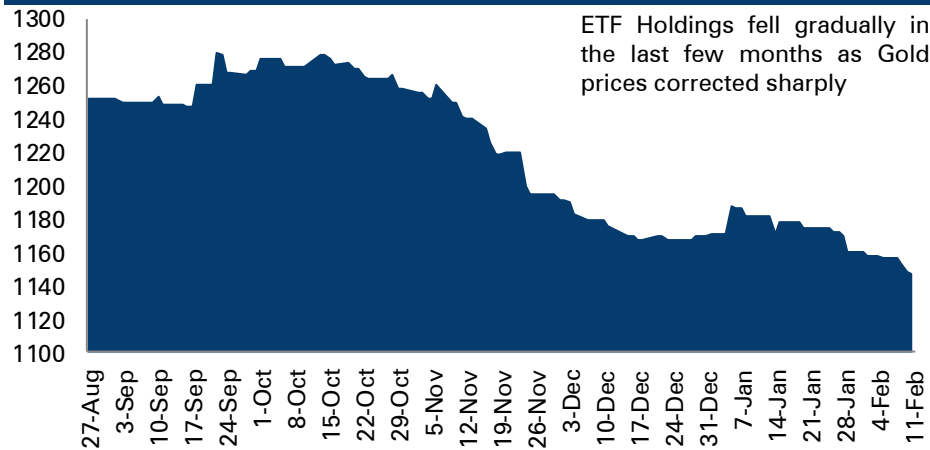
## Daily Pivot Levels

Commodity	Expiry	S2	S1	Pivot	R1	R2
GOLD	Apr-21	47036	47261	47680	47905	48324
SILVER	Mar-21	67553	67997	68634	69078	69715
CRUDE OIL	Feb-21	4212	4230	4251	4269	4290
NATURAL GAS	Feb-21	197.9	203.0	212.2	217.3	226.5
COPPER	Feb-21	630.7	633.5	636.1	638.8	641.4
NICKEL	Feb-21	1341.4	1346.2	1353.3	1358.1	1365.2
LEAD	Feb-21	166.2	168.1	169.1	171.0	172.1
ZINC	Feb-21	214.3	218.0	219.9	223.6	225.6

## 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
10-Feb-21	9:00 PM	-6.644M	0.985M	-0.994M
3-Feb-21	9:00 PM	-0.994M	0.446M	-9.910M
27-Jan-21	9:00 PM	-9.910M	0.430M	4.351M
22-Jan-21	9:30 PM	4.351M	-1.167M	-3.247M
13-Jan-21	9:00 PM	-3.247M	-2.266M	-8.010M
6-Jan-21	9:00 PM	-8.010M	-2.133M	-6.065M

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 PM	US	Michigan Consumer Expectations (Feb)	75.7	74.0
8:30 PM	US	Michigan Consumer Sentiment (Feb)	80.8	79.0

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*Source: Bloomberg, Reuters, ICICI Direct Research*

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