

March 24, 2021

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude	Apr	Sell	4270-4280	4200	4325	Intraday
Buldex	Apr	Sell	14130-14140	14000	14210	Intraday

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### Recent Developments

- MCX BULLDEX traded 0.50% lower at 14160 as gold prices fell from 44984 while silver remained under pressure throughout the day. MCX METLDEX traded 0.25% lower at 13850 as zinc and copper prices came down significantly
- Gold prices edged lower on Tuesday as a firmer dollar outweighed a dip in US Treasury yields, ahead of testimony from Federal Reserve Chair Jerome Powell and Treasury Secretary Janet Yellen
- The dollar rose against a basket of most major currencies on Tuesday while yields on US Treasuries dipped, as fears about the lasting impact of the Coronavirus crisis resurfaced
- Oil prices fell more than 4% on Tuesday, hit by concerns over new pandemic curbs and slow vaccine rollouts in Europe as well as a stronger dollar
- The front-month Brent spread flipped into a small contango for the first time since January. Contango is where the front-month contracts are cheaper than future months and could encourage traders to put oil into storage
- Extended lockdowns in Europe are being driven by the threat of a third wave, with a new variant of the Coronavirus on the continent. Germany, Europe's biggest oil consumer, is extending its lockdown until April 18

### MCX Price Performance

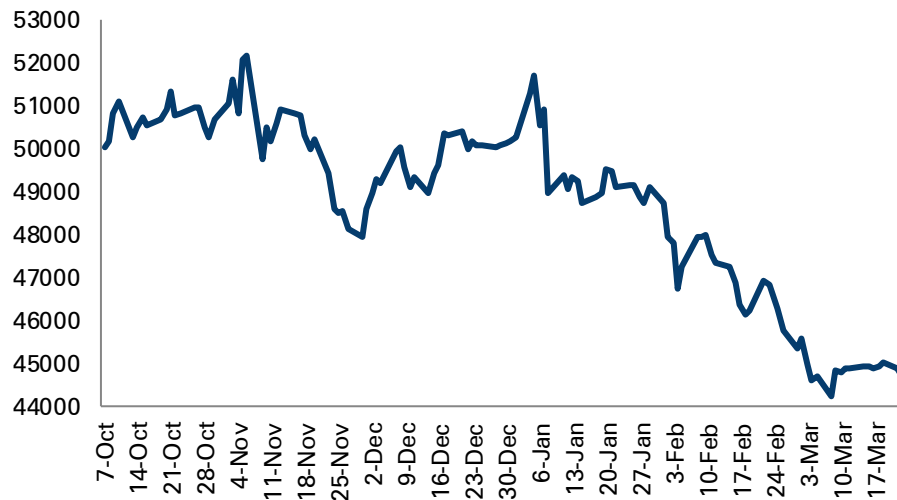
Commodity	Expiry	LTP (₹)	Change	% Change
GOLD	Apr-21	44625	-280.00	-0.62%
SILVER	May-21	64912	-1419.00	-2.14%
CRUDE OIL	Apr-21	4245	-232.00	-5.18%
NATURAL GAS	Apr-21	187.20	-1.90	-1.00%
COPPER	Mar-21	665.85	-11.80	-1.74%
NICKEL	Mar-21	1148.00	-31.60	-2.68%
LEAD	Mar-21	159.30	-2.80	-1.73%
ZINC	Mar-21	217.65	-3.80	-1.72%

### Global Price Performance

Exchange	Commodity	LTP (\$)	Change	% Change
COMEX	GOLD	1737.55	-4.15	-0.24%
COMEX	SILVER	25.77	-0.55	-2.10%
NYMEX	CRUDE OIL	61.62	0.18	0.29%
NYMEX	NATURAL GAS	2.58	0.04	1.58%
LME	COPPER	9119.25	55.00	0.61%
LME	NICKEL	16455.00	192.50	1.18%
LME	LEAD	1978.50	1.50	0.08%
LME	ZINC	2874.00	28.00	0.98%

Source: Bloomberg, Reuters, ICICI Direct Research

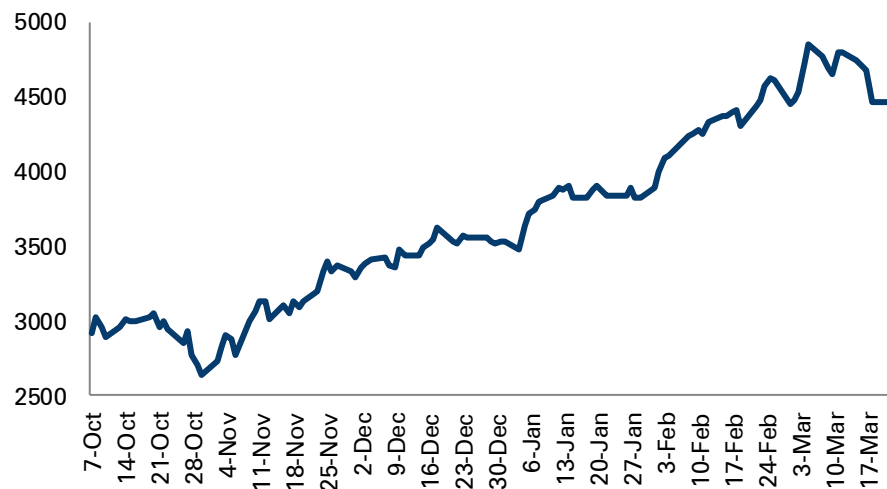
## MCX Gold Daily Chart



## Bullion Outlook

- Gold prices started Tuesday's trade on a tepid note and later corrected gradually during most of the session till a low of ₹ 44633
- The dollar rose 0.5% against rivals while US benchmark Treasury yields dipped. A stronger greenback raises the cost of holding bullion for other currency holders.
- Hence, we expect gold prices to consolidate in the range of ₹ 44000-45000 levels in the short-term

## MCX Crude Oil Daily Chart



## Energy Outlook

- Crude oil prices started Thursday's trade on a flat note and fell sharply during most of the session till a low of ₹ 4230
- A stronger US dollar also weighed on prices. As oil is priced in US dollars, a stronger greenback makes oil more expensive for holders of other currencies
- Therefore, we expect crude prices to consolidate in the range of ₹ 4100-4400 level in the short-term

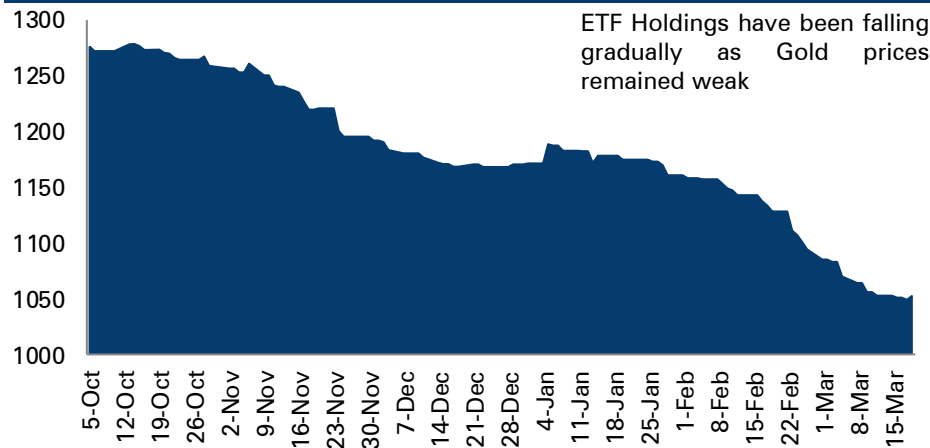
## Daily Pivot Levels

Commodity	Expiry	S2	S1	Pivot	R1	R2
GOLD	Apr-21	44376	44500	44748	44872	45120
SILVER	May-21	63923	64417	65371	65865	66819
CRUDE OIL	Apr-21	4108	4176	4312	4380	4516
NATURAL GAS	Apr-21	185.1	186.2	188.2	189.3	191.3
COPPER	Mar-21	660.1	663.0	668.7	671.6	677.3
NICKEL	Mar-21	1114.7	1131.4	1162.6	1179.3	1210.5
LEAD	Mar-21	157.1	158.2	159.9	161.0	162.6
ZINC	Mar-21	215.5	216.6	218.4	219.5	221.3

## 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
24-Mar-21	08:00PM		-0.272M
17-Mar-21	08:00PM	2.396M	2.964M
10-Mar-21	08:00PM	13.798M	0.816M
3-Mar-21	08:00PM	21.563M	-0.928M
24-Feb-21	08:00PM	1.285M	-5.190M
18-Feb-21	08:00PM	-7.258M	-2.429M

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

TIME (IST)	COUNTRY	DATA & EVENTS	FORECAST	PREVIOUS
12:15 AM	US	FOMC Member Williams Speaks		
1:15 AM	US	FOMC Member Brainard Speaks		
2:00 AM	US	API Weekly Crude Oil Stock	0.0%	-1.000M
2:30 PM	EUR	Manufacturing PMI (Mar)		
2:30 PM	EUR	Markit Composite PMI (Mar)	49.1	48.8
2:30 PM	EUR	Services PMI (Mar)	46	45.7
7:15 PM	US	Manufacturing PMI (Mar)	59.3	58.6
7:15 PM	US	Markit Composite PMI (Mar)	0	59.5
7:15 PM	US	Services PMI (Mar)	60	59.8
7:30 PM	US	Fed Chair Powell Testifies	0	0
8:00 PM	US	Crude Oil Inventories	-0.272M	2.396M

Source: Bloomberg, Reuters, ICICI Direct Research

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*Source: Bloomberg, Reuters, ICICI Direct Research*

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