

January 18, 2022

# Daily Commodities Outlook

## Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural gas	Jan	Buy	317-318	328	312	Intraday
Buldex	Jan	Buy	14065-14085	14250	13985	Intraday

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## Bullion Futures

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	47915	0.29%	1819.15	0.15%
Silver	61900	0.48%	23.03	0.50%
MCXBULLDEX	14087	0.25%	-	-

## MCX Pivot levels

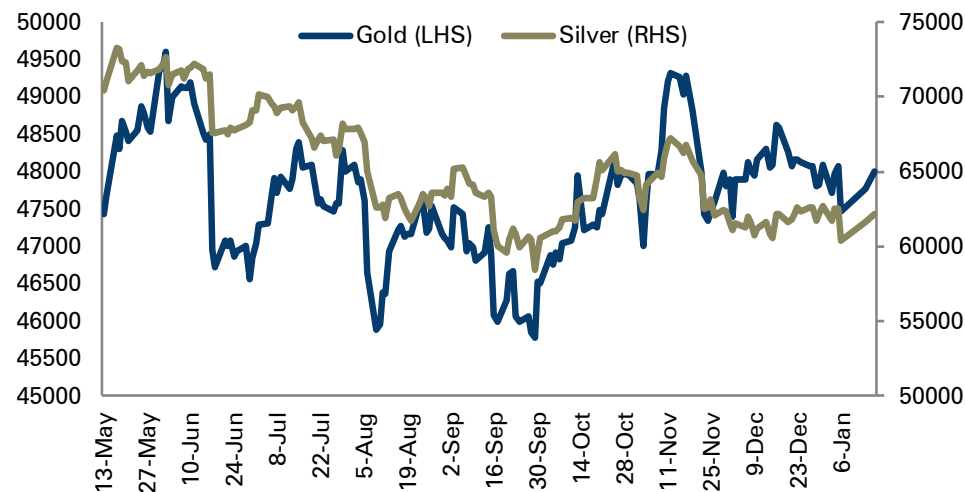
Commodity	S2	S1	Pivot	R1	R2
Gold	47732	47824	47894	47986	48056
Silver	61463	61681	61871	62089	62279
MCXBULLDEX	14038	14062	14083	14107	14128

## Gold/Silver Ratio



- Gold prices surged 0.29% on Monday on the back of rising geopolitical tensions between Russia and Ukraine
- However, large speculators reduced their net long positions in COMEX Gold to 199,737 from 211,400 contracts over the previous week, indicating bearish sentiment in the gold market
- MCX gold prices are likely to rise towards ₹ 48,300 levels due to concerns over rising geopolitical tensions between Russia and Ukraine. Further, elevated inflation may boost the demand for safe heaven metal. However, sharp upside may be capped on rise in risk appetite in the global markets and uptick in the dollar index
- Silver prices are expected to take cues from gold prices and likely to march towards ₹ 63,000 level for the day

## MCX Gold vs Silver Performance



## Metal Futures

Commodity	LTP (₹)	Change	LTP (\$)	Change
Copper	744.35	0.29%	9768.50	0.50%
Nickel	1643.70	0.75%	22290.50	0.34%
Zinc	287.80	-0.14%	3546.00	-1.12%
Lead	189.00	-0.50%	2355.50	-0.11%
Aluminium	236.50	0.62%	2994.00	0.84%
MCXMETLDEX	17640	0.28%	-	-

## MCX Pivot levels

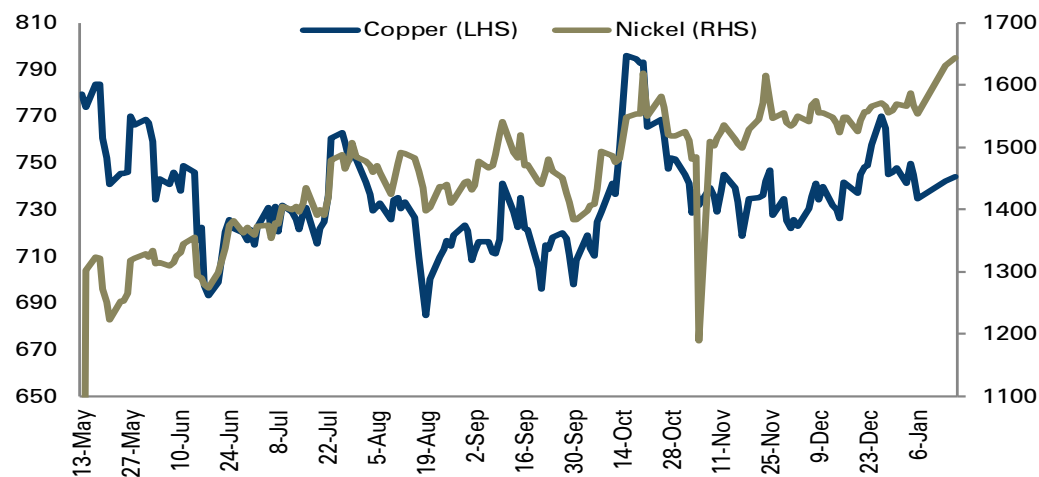
Commodity	S2	S1	Pivot	R1	R2
Copper	734.0	739.2	742.7	747.9	751.5
Nickel	1617.0	1630.4	1639.3	1652.7	1661.6
Zinc	285.4	286.6	287.9	289.1	290.4
Lead	187.6	188.3	189.4	190.1	191.2
Aluminium	232.8	234.7	235.9	237.8	239.0
MCXMETLDEX	17472.7	17556.3	17615.7	17699.3	17758.7

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	86300	2500	2.98
Nickel	97746	-618	-0.63
Zinc	183675	-1275	-0.69
Lead	54600	-50	-0.09
Aluminium	891550	-3450	-0.39

- Copper prices rebounded 0.50% on Monday despite increase in LME inventories and economic data from top consumer China suggested slowing demand for industrial metals
- Property investment in China dropped by 13.9% year on year in December, falling at the fastest pace since early 2020. Investment grew 4.4% in 2021, the slowest annual growth since 2016
- Further, stocks of copper in LME registered warehouses increased to 92,850 tonnes, putting pressure on copper prices
- MCX copper prices are likely to trade in the range of ₹ 732 to 748 levels with a negative bias on the back of rise in LME inventories. Further, strong dollar and concerns over China's economic growth may continue to put pressure on copper prices for the day

## MCX Copper vs. Nickel Performance



## Energy Futures

Commodity	LTP (₹)	Change	LTP (\$)	Change
WTI Crude Oil	6259	0.66%	83.72	0.50%
US Nat Gas	319.5	1.08%	4.30	0.92%
MCXENRGDEX	6297	1.01%	-	-

## MCX Pivot levels

Commodity	S2	S1	Pivot	R1	R2
WTI Crude Oil	6167	6213	6249	6295	6331
US Nat Gas	309.2	314.3	318.4	323.5	327.6
MCXENRGDEX	6216	6257	6282	6323	6348

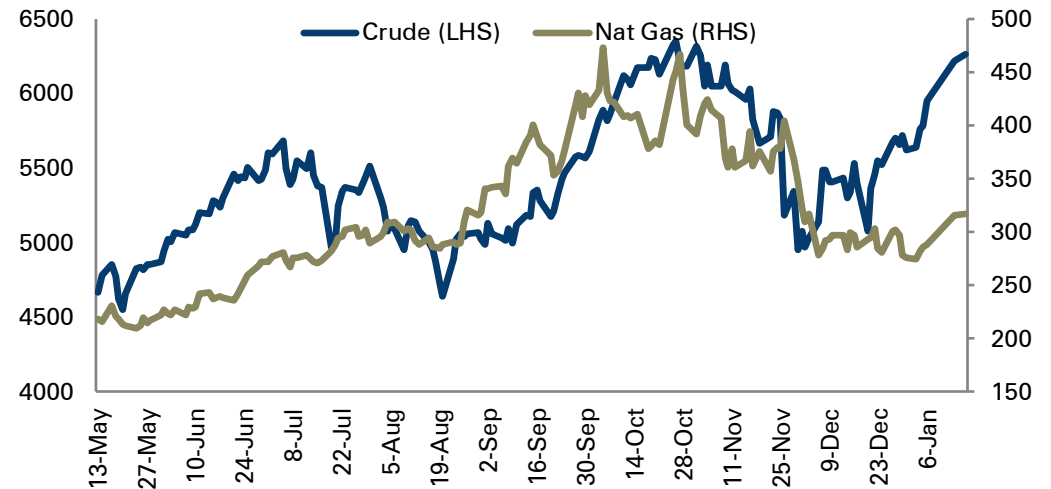
## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
1/12/2022	9:00 PM	-4.553M	-1.904M
1/5/2022	9:00 PM	-2.144M	-3.283M
12/29/2021	9:00 PM	-3.576M	-3.233M
12/22/2021	9:00 PM	-4.715M	-2.750M
12/15/2021	9:00 PM	-4.584M	-2.082M
12/8/2021	9:00 PM	-0.240M	-1.705M

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.

- Oil futures rallied 0.66% on Monday on the back of tight supply and easing worries of Omicron variant fuel demand
- Natural gas futures rose more than 1.08% on Monday mainly due to decline in Russian Yamal pipeline gas flows to Europe and rising geopolitical tensions between Russia and Ukraine
- Meanwhile, Libya's total oil output is back to 1.2 million barrels per day (bpd), which has put pressure on crude oil prices
- At the same time, Saudi Energy Minister Prince Abdulaziz bin Salman said on Monday that it is the prerogative of the US government whether to release supply from strategic petroleum reserves
- MCX crude oil prices are likely to trade in the range of ₹ 6180 to 6380 levels with a positive bias amid concerns over tight supply. Further, investors will anxiously wait for an Opec monthly report

## MCX Crude Oil vs. Natural Gas Performance



# Economic Calendar



TIME (IST)	COUNTRY	DATA & EVENTS	FORECAST	PREVIOUS
5:30 PM	US	OPEC Monthly Report	-	-
7:00 PM	US	NY Empire State Manufacturing Index (Jan)	25.70	31.90

Commodities Outlook

ICICI Securities – Retail Research

Source: Bloomberg, Reuters, ICICI Direct Research

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*Source: Bloomberg, Reuters, ICICI Direct Research*

## ANALYST CERTIFICATION

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