

June 16, 2022

Daily Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural gas	June	Buy	589.50-590	615	580	Intraday
Buldex	June	Buy	14310-14320	14500	14210	Intraday

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Bullion Futures

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	50460	0.53%	1841.20	1.53%
Silver	60869	2.30%	21.79	3.99%
MCXBULLDEX	14310	0.85%	-	-

MCX Pivot levels

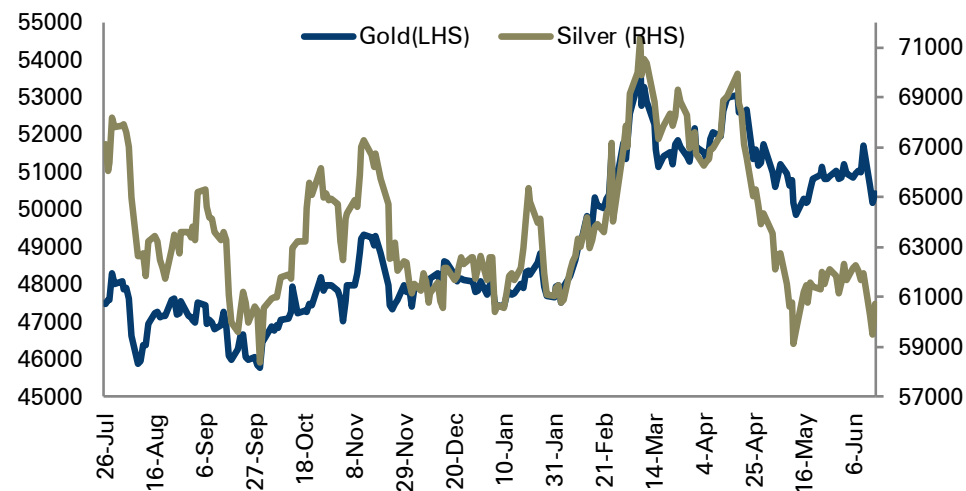
Commodity	S2	S1	Pivot	R1	R2
Gold	49861	50160	50511	50810	51161
Silver	59236	60053	60616	61433	61996
MCXBULLDEX	14109	14209	14313	14413	14517

Gold/Silver Ratio



- Comex gold prices surged more than 1.50% on Wednesday amid a retreat in US 10 year bond yields and on weakness in dollar index.
- At the same time, unsatisfactory macro economic data from the US boosted demand for safe heaven assets
- However, aggressive monetary policy tightening by US Fed capped further gains in bullion prices. US Federal Reserve raised its key benchmark interest rate to 1.75% from 1.0%, the biggest rate hike since 1994
- MCX gold prices are expected to rise further towards ₹ 51,000 for the day primarily due to easing dollar index. Silver prices are expected to take cues from gold prices and may rally towards ₹ 62,500 levels for the day. Additionally, investors will keep an eye on initial jobless claims data from the US

MCX Gold vs Silver Performance



Metal Futures

Commodity	LTP (₹)	Change	LTP (\$)	Change
Copper	755.80	0.80%	9212.00	-0.20%
Nickel	2201.70	-3.43%	25805.00	2.16%
Zinc	317.50	2.47%	3645.50	1.36%
Lead	182.60	0.30%	2075.50	-1.07%
Aluminium	222.40	2.28%	2618.00	1.87%

MCX Pivot levels

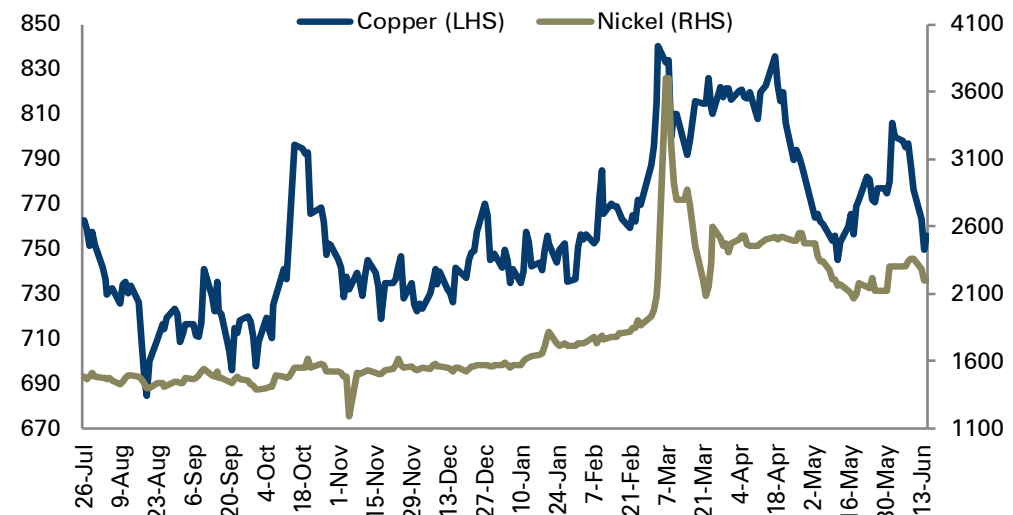
Commodity	S2	S1	Pivot	R1	R2
Copper	750.5	753.1	757.2	759.9	764.0
Nickel	2201.7	2201.7	2201.7	2201.7	2201.7
Zinc	310.6	314.1	316.3	319.7	321.9
Lead	180.6	181.6	182.5	183.5	184.3
Aluminium	215.9	219.1	221.0	224.2	226.1

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	121525	1650	1.38
Nickel	69552	-504	-0.72
Zinc	80125	-1825	-2.23
Lead	38825	-25	-0.06
Aluminium	416125	-4550	-1.08

- MCX aluminium and other industrial metal prices advanced on Wednesday amid a better-than-expected economic data from China
- China's economy showed signs of recovery in May after slumping in the prior month as industrial production rose unexpectedly, while car sales jumped 54% in the week of June 6 versus the same period in May
- China's monthly production of aluminum has improved in May month following easing in power consumption curbs and as COVID-19-induced lockdowns had little impact on output.
- MCX Aluminium prices are expected to rally towards ₹ 226 levels for the day due to significant decline in LME inventories. Additionally, inventors will remain cautious ahead of building permits data from the US

MCX Copper vs. Nickel Performance



Energy Futures

Commodity	LTP (₹)	Change	LTP (\$)	Change
WTI Crude Oil	9177	-2.35%	116.66	-1.91%
US Nat Gas	589.0	2.68%	7.48	4.03%
MCXENRGDEX	10357	-0.43%	-	-

MCX Pivot levels

Commodity	S2	S1	Pivot	R1	R2
WTI Crude Oil	8944	9061	9193	9310	9442
US Nat Gas	547.0	568.0	585.0	606.0	623.0
MCXENRGDEX	10017	10187	10325	10495	10633

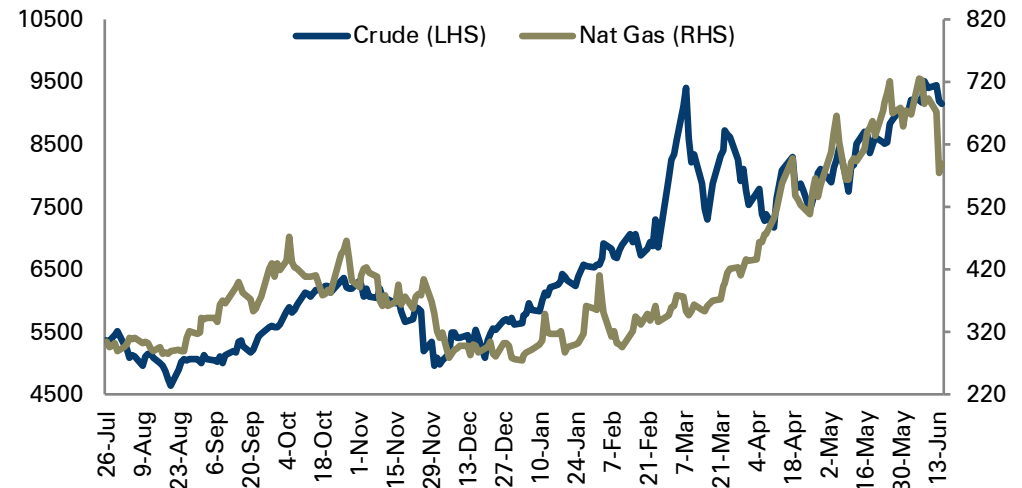
US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
16-06-2022	8:00 PM	1.956M	-1.314M
09-06-2022	8:00 PM	2.025M	-1.917M
02-06-2022	8:00 PM	-5.068M	-1.350M
25-05-2022	8:00 PM	-1.019M	-0.737M
18-05-2022	8:00 PM	-3.394M	1.383M
11-05-2022	8:00 PM	8.487M	-0.457M

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.

- WTI crude oil prices declined almost 2.0% on concerns over fuel demand and sharp decline in US crude oil stockpiles.
- According to EIA data showed, US commercial crude inventories surged to 418.70 million barrels from 416.75 million barrels over the past one week
- Higher oil prices and weakening economic forecasts are dimming futures demand prospects, the International Energy Agency said on Wednesday.
- US natural gas futures rose more than 4.0% after Russian monopoly Gazprom halted gas supplies to Germany.
- MCX natural gas prices are expected to rally towards ₹ 620 for the day on expectation of fall in natural gas storage level from the US and lower gas flows to European countries from Russia.

MCX Crude Oil vs. Natural Gas Performance



Economic Calendar

TIME (IST)	COUNTRY	DATA & EVENTS	FORECAST	PREVIOUS
6:00 PM	US	Building Permits (May)	1.785M	1.823M
6:00 PM	US	Initial Jobless Claims	215K	229K
6:00 PM	US	Philadelphia Fed Manufacturing Index (Jun)	5.50	2.60
8:00 PM	US	Natural Gas Storage	96B	97B

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Source: Bloomberg, Reuters, ICICI Direct Research

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