

Bullion

Gold prices experienced a downturn last week as investors awaited key economic data for insights into the Federal Reserve's monetary policy direction.

Amid easing tensions in the Middle East and central bank's decision to hold interest rates steady and suggestions of potential future reductions, concerns persisted regarding sluggish inflation rates, potentially delaying rate cuts.

Although traditionally an inflation hedge, gold's appeal wanes in times of higher interest rates.

Despite the Fed's acknowledgment of insufficient progress toward its inflation target, Chair Jerome Powell emphasized a commitment to maintaining the current policy stance, suggesting the next rate adjustment is unlikely to be an increase.

Prior to this decline, gold had seen consecutive weeks of record highs, fueled by robust central bank purchases and demand from Chinese retail investors amid a weakening yuan.

Silver

On Friday, spot silver ended 0.58 percent lower, closing at \$26.5 per ounce whereas MCX Silver ended 0.30 percent lower at Rs.79712/kg.

Outlook

Gold may witness pressure as market sentiment remains cautious amidst ongoing economic data releases and uncertainty surrounding the Federal Reserve's monetary policy.

Technical Outlook

valid on 06th May 2024

BULLION	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX BULLDEX MAY'24	17550	17680	18020	18160
GOLD - JUN'24	69990	70250	71020	71310
SPOT GOLD	2287	2296	2321	2331
SILVER - JUL'24	79840	80360	81720	82240
SPOT SILVER	18.800	20.000	27.100	28.400

Market Highlights (% change)

as on 03rd May 2024

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	83.4	-0.07	-0.03	0.03	1.48
Euro/\$ (Spot)	89.6	0.32	0.62	-0.22	0.71
Dollar Index	105.0	-0.26	-0.86	0.46	2.46
NIFTY	22475.9	-0.76	0.25	0.67	29.47
SENSEX	73878.2	-0.98	0.20	0.31	25.24

Source: Refinitiv

Market Highlights Gold (% change)

as on 03rd May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	2301.6	-0.08	-1.55	3.10	16.95
Gold (Spot - Mumbai)	73140.0	0.26	0.69	2.87	22.31
Comex	2299.0	-0.01	-1.53	3.68	16.76
MCX Gold	70668.0	-0.10	-1.16	4.42	18.97
MCX BULLDEX	17846	-0.23	-1.31	4.82	#N/A

(Comex, Gold spot in \$ per ounce, MCX, Gold spot Mumbai in Rs/10 gms) Source: Refinitiv

Market Highlights Silver (% change)

as on 03rd May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	26.5	-0.58	-2.30	6.27	10.25
Silver (Spot - Mumbai)	81100.0	16.86	0.87	13.19	9.59
Comex	26.4	-0.52	-2.92	6.65	9.84
MCX Silver	79712.0	-0.30	-1.20	6.21	10.38

(Comex in \$ per ounce, MCX, Silver spot in Rs/kg)

Source: Refinitiv

Energy

Crude Oil

Oil prices experienced a significant downturn this week, with the NYMEX index dropping over 4 percent, hovering close to a seven-week low.

This decline was driven by a combination of factors including weakened global demand, rising inventories, and reduced expectations for rapid interest rate cuts in the U.S.

Market apprehension regarding a potential U.S. economic slowdown was heightened by ongoing tensions between Israel and Hamas, contributing to overall uncertainty.

A sudden surge in crude oil stocks reported by the U.S. government had led to a 3% drop in prices in a single day.

Outlook

Crude oil prices are likely to remain under pressure amidst concerns over weakened global demand, increasing inventories, and ongoing geopolitical tensions, despite some market uncertainty.

Technical Outlook

valid on 06th May 2024

Crude	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX ENERGY MAY'24	5480	5550	5730	5810
MCX CRUDE MAY'24 (RS/BBL)	6380	6460	6640	6710
WTI CRUDE OIL (\$/BBL)	75.40	78.00	80.20	82.50
BRENT CRUDE OIL (\$/BBL)	80.00	81.70	85.00	87.60
MCX NATURAL GAS MAY'24	156	167	191	200

Market Highlight Crude Oil (% change) as on 03rd May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	84.8	-1.41	-6.97	-0.96	6.60
NYMEX CRUDE	78.1	-1.06	-6.85	-6.08	3.22
ICE BRENT CRUDE	83.0	-0.85	-7.31	-5.17	4.00
MCX CRUDE	6546.0	-0.83	-6.47	-5.25	5.60

(Brent & NYMEX Crude in \$ per bbl, MCX Crude in Rs/bbl)

Source: Refinitiv

Market Highlight Natural Gas (% change) as on 03rd May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.1	5.26	32.71	21.50	-3.34
MCX NG	201.8	3.59	5.65	20.55	-1.22

(NYMEX NG in \$/MMBtu, MCX NG in Rs/MMBtu)

Source: Refinitiv

Base Metals

Base metals faced downward pressure this week, with all metals closing lower, notably LME Copper dropping nearly 3 percent, driven by concerns over speculative trading pushing the market to two-year highs amid subdued demand in China.

Apprehensions grew as key indicators like the Yangshan copper premium plummeted to zero, signaling a significant decline in imported copper demand.

Separate data highlighted a slowdown in growth across China's manufacturing and services sectors for April, accentuating concerns about the world's second-largest economy.

The strong U.S. dollar, nearing a six-month peak ahead of the Federal Reserve's unchanged policy decision amidst persistent inflation worries, added to the pressure.

Despite this, copper prices surged to a two-year highs due to supply concerns following BHP Group's bid for Anglo American, fueling market optimism. Conversely, zinc prices declined with the impending resumption of production at Nyrstar's Budel smelter, hinting at a potential increase in supply.

Outlook

Base metals are expected to face continued downward pressure amid concerns over subdued demand in China, and a strong U.S. dollar.

Technical Outlook

valid on 06th May 2024

	Support		Resistance	
Base metals (Rs/Kg)	17080	17280	17550	17700
MCXMETLDEX MAY'24	17120	17320	17590	17740
LME COPPER (\$/TONNE)	9700	9760	9970	10140
COPPER MAY'24	841.90	847.90	862.20	866.40
ZINC MAY'24	251.60	254.50	261.50	264.20
LEAD MAY'24	187.60	189.60	194.40	195.80
ALUMINIUM MAY'24	228.20	230.40	235.60	237.10

Market Highlights Base Metals (% change) as on 03rd May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME COPPER (3 MONTH)	9910.0	1.48	-0.56	11.76	10.20
MCX COPPER	855.3	1.11	-0.06	12.91	8.96
LME ALUMINIUM (3 MONTH)	2551.5	0.93	-0.70	9.18	5.74
MCX ALUMINIUM	233.3	0.58	-3.61	10.99	13.14
LME NICKEL (3 MONTH)	19237.0	3.16	0.72	14.85	-19.30
MCX NICKEL	1592.1	-1.53	-1.16	12.19	-21.18
LME LEAD (3 MONTH)	2215.0	1.61	0.34	7.79	5.13
MCX LEAD	191.5	0.42	0.42	8.78	6.09
LME ZINC (3 MONTH)	2903.0	0.59	2.07	19.02	-0.67
MCX ZINC	257.8	0.37	2.32	19.93	1.48

(LME IN \$/Tonne, MCX in Rs/kg)

Source: Refinitiv

LME Inventories in tonnes

COMMODITY	03/05/24	02/05/24	CHG	%CHG
COPPER	111300	115275	-3975	-3.45%
ALUMINIUM	487750	489250	-1500	-0.31%
NICKEL	79920	78780	1140	1.45%
ZINC	253975	254875	-900	-0.35%
LEAD	266000	268725	-2725	-1.01%

Source: Refinitiv

Economic Indicator to be released on 6-May-24

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
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