

## Bullion

Gold prices surged nearly 1% on Monday, propelled by a weakening U.S. dollar spurred by softer-than-anticipated U.S. job data, fostering expectations of potential Federal Reserve interest rate cuts later this year.

With April's job growth in the U.S. falling below expectations, the dollar remained subdued, enhancing the appeal of gold as a hedge against inflation.

Lower interest rates diminish the opportunity cost of holding bullion, exerting downward pressure on the dollar.

CME's FedWatch Tool indicated a 66% likelihood of rate cuts in September, further bolstering gold's allure.

Additionally, ongoing tensions in the Middle East, notably Israel's military operation in Rafah, added a layer of uncertainty, providing further support to the precious metal.

## Silver

On Friday, spot silver ended 3.45 percent higher, closing at \$27.5 per ounce whereas MCX Silver ended 4.07 percent lower at Rs.82955/kg.

## Outlook

Gold is poised to maintain its upward trajectory amidst a weakening U.S. dollar and lingering geopolitical tensions in the Middle East.

### Technical Outlook

valid on 07<sup>th</sup> May 2024

BULLION	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX BULLDEX MAY'24	17760	17900	18280	18440
GOLD - JUN'24	70590	70890	71770	72110
SPOT GOLD	2307	2316	2345	2356
SILVER - JUL'24	80960	81830	84090	84960
SPOT SILVER	18.800	20.000	28.000	29.300

## Market Highlights (% change)

as on 06<sup>th</sup> May 2024

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	83.5	0.12	0.10	0.15	1.61
Euro/\$ (Spot)	89.8	0.21	0.83	-0.01	0.93
Dollar Index	105.1	0.02	-0.84	0.48	2.48
NIFTY	22442.7	-0.15	0.10	0.52	29.28
SENSEX	73895.5	0.02	0.22	0.33	25.26

Source: Refinitiv

## Market Highlights Gold (% change)

as on 06<sup>th</sup> May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	2323.6	0.96	-0.61	4.08	18.07
Gold (Spot - Mumbai)	72810.0	-0.45	0.23	2.41	21.76
Comex	2321.6	0.98	-0.57	4.70	17.91
MCX Gold	71369.0	0.99	-0.18	5.46	20.15
MCX BULLDEX	18086	1.34	0.02	6.23	#N/A

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

## Market Highlights Silver (% change)

as on 06<sup>th</sup> May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	27.5	3.45	1.07	9.94	14.05
Silver (Spot - Mumbai)	81260.0	17.09	1.07	13.41	9.81
Comex	27.4	3.49	0.47	10.37	13.68
MCX Silver	82955.0	4.07	2.82	10.54	14.87

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

Source: Refinitiv

## Energy

### Crude Oil

Oil prices remained steady on Monday with no significant change, attributed to ongoing struggles to secure a ceasefire agreement between Hamas and Israel.

Last week witnessed the sharpest weekly loss in three months for both oil benchmarks, influenced by investor concerns over weak U.S. jobs data and speculation about the timing of a Federal Reserve interest rate cut.

A ceasefire proposal accepted by Hamas from Egypt had some far-reaching aspects that were unacceptable.

Additionally, oil received support from Saudi Arabia's decision to increase the official selling prices for its crude, indicating anticipation of robust demand this summer.

Meanwhile, in China, sustained expansionary activity in the services sector for the 16th consecutive month, coupled with accelerated growth in new orders and solid business sentiment, raised hopes for a continuous economic recovery, further supporting oil prices.

### Outlook

Given the ongoing challenges in securing a ceasefire agreement and recent bearish market sentiment driven by weak U.S. jobs data and speculation on Federal Reserve actions, crude oil may face downward pressure.

#### Technical Outlook

 valid on 06<sup>th</sup> May 2024

Crude	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX ENERGY MAY'24	5520	5590	5770	5850
MCX CRUDE MAY'24 (RS/BBL)	6390	6460	6620	6680
WTI CRUDE OIL (\$/BBL)	75.30	77.80	79.70	81.50
BRENT CRUDE OIL (\$/BBL)	80.00	81.70	84.60	86.60
MCX NATURAL GAS MAY'24	163	174	198	208

### Market Highlight Crude Oil (% change) as on 06<sup>th</sup> May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)*	84.8	-1.41	-6.97	-0.96	6.60
NYMEX CRUDE	78.5	0.47	-6.40	-5.64	3.71
ICE BRENT CRUDE	83.3	0.45	-6.89	-4.74	4.46
MCX CRUDE	6542.0	-0.06	-6.53	-5.31	5.53

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

Source: Refinitiv

### Market Highlight Natural Gas (% change) as on 06<sup>th</sup> May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.2	2.47	36.00	24.50	-0.95
MCX NG	209.0	3.57	9.42	24.85	2.30

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

Source: Refinitiv

## Base Metals

With the London Metal Exchange closed for a public holiday on Monday, Shanghai copper prices experienced a decline, mirroring the previous week's losses in London, amid a stronger dollar and stagnant demand from the troubled Chinese property market.

The rebound of the dollar index, following a recent three-week low, increased the relative expense of greenback-priced metals for holders of other currencies.

Although copper prices have been buoyed by potential smelter output cuts due to restricted mine supply, significant reductions have yet to materialize, particularly among smelters with long-term raw material supply contracts, suggesting limited immediate prospects for substantial cutbacks.

## Outlook

Despite recent challenges, base metals may find support as potential output cuts buoy copper prices amidst restricted mine supply, although significant reductions remain uncertain amid long-term supply contracts.

### Technical Outlook valid on 07<sup>th</sup> May 2024

Base metals (Rs/Kg)	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCXMETLDEX MAY'24	17260	17460	17730	17880
LME COPPER (\$/TONNE)	9960	10020	10230	10400
COPPER MAY'24	853.80	859.80	874.20	878.50
ZINC MAY'24	252.90	255.70	262.30	264.80
LEAD MAY'24	187.60	189.60	194.40	195.80
ALUMINIUM MAY'24	230.20	232.40	237.60	239.10

## Market Highlights Base Metals (% change) as on 06<sup>th</sup> May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME COPPER (3 MONTH)*	9910.0	1.48	-0.56	11.76	10.20
MCX COPPER	866.7	1.33	1.27	14.42	10.41
LME ALUMINIUM (3 MONTH)*	2551.5	0.93	-0.70	9.18	5.74
MCX ALUMINIUM	234.6	0.54	-3.10	11.58	13.75
LME NICKEL (3 MONTH)*	19237.0	3.16	0.72	14.85	-19.30
MCX NICKEL	1598.6	0.41	-0.76	12.65	-20.86
LME LEAD (3 MONTH)*	2215.0	1.61	0.34	7.79	5.13
MCX LEAD	192.3	0.39	0.81	9.20	6.51
LME ZINC (3 MONTH)*	2903.0	0.59	2.07	19.02	-0.67
MCX ZINC	259.1	0.50	2.84	20.54	1.99

(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 7-May-24

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Construction PMI	UK	2:00pm	-	50.4	50.2	Medium

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