

Bullion

Gold prices experienced a dip on Tuesday after recent gains, with traders closely monitoring the likelihood of interest rate adjustments by the U.S. Federal Reserve.

According to the CME's FedWatch Tool, there's a significant chance of rate cuts in September, prompting fluctuations in the market.

Lower interest rates diminish the cost of holding gold, which doesn't generate yields, thus affecting its demand.

Despite elevated prices, China's central bank persisted in its gold accumulation streak for the 18th consecutive month, bolstering reserves by 60,000 troy ounces, as revealed by data.

Silver

On Tuesday, spot silver ended 0.82 percent lower, closing at \$27.2 per ounce whereas MCX Silver ended 0.09 percent lower at Rs.82878/kg.

Outlook

Gold is likely to stay higher on market sentiment surrounding potential interest rate cuts by the U.S. Federal Reserve and continued central bank accumulation.

Technical Outlook

valid on 08th May 2024

BULLION	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX BULLDEX MAY'24	17750	17900	18280	18440
GOLD - JUN'24	70580	70880	71780	72120
SPOT GOLD	2298	2308	2337	2348
SILVER - JUL'24	80970	81840	84080	84950
SPOT SILVER	18.800	20.000	28.000	29.300

Market Highlights (% change)

as on 07th May 2024

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	83.5	-0.03	0.10	0.01	1.58
Euro/\$ (Spot)	89.7	-0.16	0.05	0.80	0.76
Dollar Index	105.4	0.34	0.36	-0.76	2.83
NIFTY	22302.5	-0.62	-0.77	-1.34	28.47
SENSEX	73511.9	-0.52	-0.50	-1.30	24.61

Source: Refinitiv

Market Highlights Gold (% change)

as on 07th May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	2313.8	-0.42	0.53	1.23	17.58
Gold (Spot - Mumbai)	72760.0	-0.07	-0.52	0.36	21.67
Comex	2315.2	-0.28	0.70	1.04	17.58
MCX Gold	71148.0	-0.31	0.68	1.04	19.77
MCX BULLDEX	18062	-0.13	1.21	1.38	#N/A

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

Market Highlights Silver (% change)

as on 07th May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	27.2	-0.82	2.60	3.61	13.11
Silver (Spot - Mumbai)	81140.0	16.92	0.05	0.92	9.65
Comex	27.3	-0.24	3.24	3.46	13.40
MCX Silver	82878.0	-0.09	3.97	4.24	14.76

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

Source: Refinitiv

Energy

Crude Oil

Oil prices edged slightly lower on Tuesday amid signs of alleviating supply concerns, with attention shifting to impending U.S. stockpile data.

Market sentiment wavered as reports from the American Petroleum Institute indicated a surge in U.S. crude and fuel inventories, defying earlier expectations.

The Energy Information Administration (EIA) revised its forecasts, anticipating higher global oil output coupled with reduced demand, signaling a well-supplied market.

While weak U.S. jobs data fueled hopes for interest rate cuts, oil prices found some support from a U.S. government solicitation to purchase over 3 million barrels of oil for the Strategic Petroleum Reserve (SPR).

Outlook

Oil prices may face downward pressure today amidst indications of easing supply concerns and the potential for increased inventories.

Technical Outlook

valid on 08th May 2024

Crude	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX ENERGY MAY'24	5490	5560	5740	5820
MCX CRUDE MAY'24 (RS/BBL)	6390	6460	6620	6680
WTI CRUDE OIL (\$/BBL)	74.70	77.10	79.00	81.50
BRENT CRUDE OIL (\$/BBL)	79.30	80.70	83.80	86.60
MCX NATURAL GAS MAY'24	164	175	197	206

Market Highlight Crude Oil (% change) as on 07th May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	83.8	-1.07	-1.07	-6.20	5.46
NYMEX CRUDE	78.4	-0.13	0.35	-4.33	3.58
ICE BRENT CRUDE	83.2	-0.20	0.24	-5.35	4.25
MCX CRUDE	6585.0	0.66	0.60	-3.70	6.23

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

Source: Refinitiv

Market Highlight Natural Gas (% change) as on 07th May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.2	0.55	3.03	10.85	-0.41
MCX NG	206.1	-1.39	2.13	6.46	0.88

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

Source: Refinitiv

Base Metals

Copper prices surged towards their highest levels in two years on Tuesday, driven by renewed attention on tight supplies and optimistic expectations for robust demand in China, the world's largest consumer.

The potential merger between BHP and Anglo American, which could control 10% of global copper supplies, also fueled market speculation.

China's recent commitment to bolster its economy through monetary and fiscal policies further buoyed market sentiment.

Additionally, declining copper stocks in LME-registered warehouses, down 35% since the year's outset, provided additional support to prices.

Outlook

Copper's prices are likely to remain higher, driven by tight supply dynamics, optimistic demand projections, and supportive government policies.

Technical Outlook valid on 08th 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)	9850	9910	10120	10290
COPPER MAY'24	853.40	859.60	874.40	878.80
ZINC MAY'24	253.30	255.90	262.20	264.60
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 07th May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME COPPER (3 MONTH)	10029.5	1.21	1.21	0.39	11.53
MCX COPPER	865.0	-0.20	1.13	0.22	10.20
LME ALUMINIUM (3 MONTH)	2569.5	0.71	0.71	-0.85	6.49
MCX ALUMINIUM	234.4	-0.09	0.45	-3.16	13.65
LME NICKEL (3 MONTH)	19256.0	0.10	0.10	0.09	-19.22
MCX NICKEL	1615.9	1.08	1.49	-0.82	-20.00
LME LEAD (3 MONTH)	2243.5	1.29	1.29	1.20	6.48
MCX LEAD	194.2	0.99	1.38	2.18	7.56
LME ZINC (3 MONTH)	2960.0	1.96	1.96	1.16	1.28
MCX ZINC	262.1	1.16	1.67	1.63	3.17

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

Source: Refinitiv

LME Inventories in tonnes

COMMODITY	07/05/24	03/05/24	CHG	%CHG
COPPER	107350	111300	-3950	-3.55%
ALUMINIUM	486050	487750	-1700	-0.35%
NICKEL	79896	79920	-24	-0.03%
ZINC	253725	253975	-250	-0.10%
LEAD	258800	266000	-7200	-2.71%

Source: Refinitiv

Economic Indicator to be released on 8-May-24

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
10-y Bond Auction	US	10:31pm	-	-	4.56 2.3	Medium

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