

## Bullion

Gold prices dipped on Thursday as the dollar rebounded, despite hopes for Federal Reserve rate cuts later this year following signs of cooling U.S. inflation.

A stronger dollar, which makes gold pricier for foreign buyers, rose after U.S. consumer prices increased less than anticipated in April.

However, Fed Bank of New York President John Williams tempered expectations, stating that current inflation trends are insufficient to prompt immediate rate cuts.

Market speculation still suggests a 68% chance of a rate cut by September, potentially lowering the opportunity cost of holding non-yielding gold.

## Silver

On Thursday, spot silver ended 0.32 percent lower, closing at \$29.6 per ounce whereas MCX Silver ended 0.50 percent higher at Rs.87300/kg.

## Outlook

Gold prices are likely to decline as a stronger dollar likely to outweigh expectations of future Federal Reserve rate cuts.

### Technical Outlook

valid on 17<sup>th</sup> May 2024

BULLION	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX BULLDEX MAY'24	18230	18410	18880	19070
GOLD - JUN'24	72020	72390	73470	73880
SPOT GOLD	2362	2374	2409	2423
SILVER - JUL'24	85920	86520	88080	88680
SPOT SILVER	18.800	20.000	30.100	31.400

## Market Highlights (% change)

as on 16<sup>th</sup> May 2024

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	83.5	0.05	-0.11	0.00	1.57
Euro/\$ (Spot)	90.6	-0.08	0.81	1.86	1.82
Dollar Index	104.5	0.11	-0.80	-1.66	1.91
NIFTY	22403.9	0.92	1.58	-0.89	29.06
SENSEX	73663.7	0.93	1.38	-1.10	24.87

Source: Refinitiv

## Market Highlights Gold (% change)

as on 16<sup>th</sup> May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	2376.4	-0.40	0.69	3.98	20.76
Gold (Spot - Mumbai)	73800.0	0.75	1.58	1.79	23.41
Comex	2380.0	-0.36	0.54	3.87	20.87
MCX Gold	72980.0	-0.17	0.35	3.64	22.86
MCX BULLDEX	18649	0.11	1.09	4.67	#N/A

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

## Market Highlights Silver (% change)

as on 16<sup>th</sup> May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	29.6	-0.32	5.18	12.65	22.98
Silver (Spot - Mumbai)	89050.0	28.31	9.33	10.76	20.34
Comex	29.7	0.51	4.92	12.41	23.21
MCX Silver	87300.0	0.50	2.81	9.80	20.88

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

Source: Refinitiv

## Energy

### Crude Oil

Crude prices inched higher on Thursday as a stabilizing U.S. job market bolstered expectations of Federal Reserve rate cuts in autumn, potentially spurring economic growth and increasing oil demand.

A decrease in new unemployment claims highlighted labor market strength, while slower-than-expected inflation in April further supported the possibility of a September rate cut.

Despite these positive signals, U.S. gasoline demand remained below 9 million barrels per day for the sixth consecutive week, unusually low for the pre-summer driving season.

### Outlook

Crude prices are likely to remain supported by positive US data and anticipation of potential Federal Reserve rate cuts.

#### Technical Outlook valid on 17<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)	6530	6570	6670	6710
WTI CRUDE OIL (\$/BBL)	76.40	78.40	79.60	81.50
BRENT CRUDE OIL (\$/BBL)	80.40	80.70	83.70	85.60
MCX NATURAL GAS MAY'24	199	203	213	216

### Market Highlight Crude Oil (% change) as on 16<sup>th</sup> May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	82.8	2.06	-2.06	-7.36	4.15
NYMEX CRUDE	79.2	0.76	1.24	-3.30	4.70
ICE BRENT CRUDE	83.3	0.63	0.58	-5.22	4.39
MCX CRUDE	6615.0	0.98	0.98	-3.26	6.71

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

Source: Refinitiv

### Market Highlight Natural Gas (% change) as on 16<sup>th</sup> May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.5	3.27	10.79	25.31	12.59
MCX NG	224.4	3.13	7.37	15.91	9.84

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

Source: Refinitiv

## Base Metals

Copper prices on the Chicago Mercantile Exchange hovered near record highs on Thursday as a supply squeeze forced sellers to roll over positions, driving up costs.

CME's increased margin requirements aimed to calm market volatility, impacting major traders like Trafigura and IXM.

The 27% rise in CME copper this year has outpaced the London Metal Exchange (LME), and creating arbitrage opportunity for traders to buy on the LME and sell on the CME. Though it would be challenging, as half of the available copper in the LME system is of Russian origin and cannot be delivered into the CME.

Meanwhile, aluminum stocks surged due to significant warehouse deliveries in Malaysia, while a stronger U.S. dollar and higher import prices exerted downward pressure on metals.

## Outlook

Metals are likely to trade on a mixed note, with copper prices remaining elevated due to supply constraints, while rising aluminum stocks and a stronger dollar might cap the upside.

### Technical Outlook valid on 17<sup>th</sup> May 2024

	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
<b>Base metals (Rs/Kg)</b>				
<b>MCXMETLDEX MAY'24</b>	17570	17770	18040	18190
<b>LME COPPER (\$/TONNE)</b>	10240	10300	10510	10680
<b>COPPER MAY'24</b>	881.10	887.00	901.00	905.10
<b>ZINC MAY'24</b>	256.60	258.60	263.40	265.20
<b>LEAD MAY'24</b>	189.60	191.60	196.40	197.80
<b>ALUMINIUM MAY'24</b>	233.20	235.40	240.60	242.10

## Market Highlights Base Metals (% change) as on 16<sup>th</sup> May 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
<b>LME COPPER (3 MONTH)</b>	10424.0	2.01	4.20	4.33	15.91
<b>MCX COPPER</b>	894.3	0.26	2.82	3.61	13.93
<b>LME ALUMINIUM (3 MONTH)</b>	2586.5	-0.46	2.25	-0.19	7.19
<b>MCX ALUMINIUM</b>	238.1	0.17	3.12	-1.63	15.45
<b>LME NICKEL (3 MONTH)</b>	19797.0	1.58	4.46	2.91	-16.95
<b>MCX NICKEL</b>	1628.6	0.61	1.90	-0.04	-19.38
<b>LME LEAD (3 MONTH)</b>	2294.0	1.06	3.22	3.47	8.88
<b>MCX LEAD</b>	194.0	-0.18	-0.08	2.11	7.48
<b>LME ZINC (3 MONTH)</b>	2960.0	-0.54	1.01	1.16	1.28
<b>MCX ZINC</b>	261.3	-0.27	-0.02	1.30	2.83

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

Source: Refinitiv

## LME Inventories in tonnes

COMMODITY	16/05/24	15/05/24	CHG	%CHG
<b>COPPER</b>	104425	104625	-200	-0.19%
<b>ALUMINIUM</b>	1093275	1033450	59825	5.79%
<b>NICKEL</b>	81630	80994	636	0.79%
<b>ZINC</b>	259675	250875	8800	3.51%
<b>LEAD</b>	217500	222250	-4750	-2.14%

Source: Refinitiv

## Economic Indicator to be released on 17-May-24

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
FOMC Member Waller Speaks	US	7:45pm	-	-	-	Medium

## Research Team

### Prathamesh Mallya

#### DVP Research (Non-Agro Commodities & Currency)

prathamesh.mallya@angelbroking.com

Boardline: 022-39357600

### Saish Sawant Dessai

#### Research Associate

saish.sdessai@angelbroking.com

Boardline: 022-39357600

#### Angel One Ltd.

Registered Office: G-1, Ackruti Trade Centre, Rd. No. 7, MIDC, Andheri (E), Mumbai - 400 093.

Corporate Office: 6th Floor, Ackruti Star, MIDC, Andheri (E), Mumbai - 400 093. Tel: 080-47480048

MCX Member ID: 12685 / FMC Regn No: MCX / TCM / CORP / 0037 NCDEX: Member ID 00220 / FMC Regn No: NCDEX / TCM / CORP / 0302

**Disclaimer:** The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. The document is not, and should not be construed as an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from "Angel One Ltd". Your feedback is appreciated on [advisory@angelbroking.com](mailto:advisory@angelbroking.com)