

# COMMODITY & CURRENCY

CANVAS



Monthly Report

August, 2024 | Issue 99

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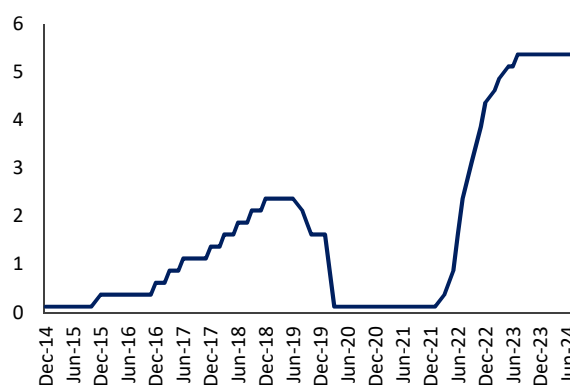
## Precious Metals

### Fundamental Outlook

Precious metals - particularly Gold and Silver, has experienced significant fluctuations over the past month, driven by a complex interplay of economic, geopolitical, and market-specific factors. This report provides an in-depth analysis of the factors influencing all-time highs and then a correction in both gold and silver prices, examining the impact of recent developments, including changes in import duty structure, economic data, central bank activities, and broader market trends.

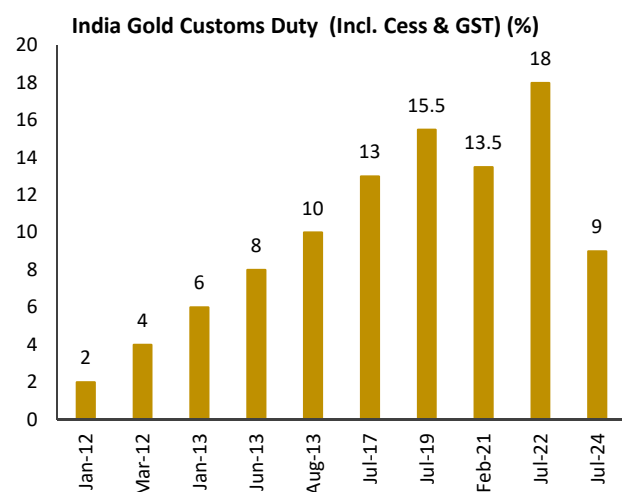
In their July policy meeting, the Federal Reserve kept interest rates unchanged at a 23-year high for the eighth consecutive meeting. The Federal Open Market Committee (FOMC) noted “further progress” towards its 2% inflation target but stated that “greater confidence” is needed before a rate cut is considered. A rate cut in September could be possible if inflation continues to ease and growth concerns increase. While inflation remains a concern, the Fed is also weighing growth and labor market conditions. Governor Powell clarified that the Fed is not contemplating a 50 bps rate cut this year. The Fed indicated that the risk of a hard landing is low, aiming to manage inflation without triggering a recession. There is also concern about potential political influence on Fed decisions, with former President Donald Trump warning against rate cuts before the elections. Following the meeting, there was a drop in the Dollar index and US yields, accompanied by a swift rise in bullion prices.

Fed's Target Rate (%)



Source: Reuters

There is also concern about potential political influence on Fed decisions, with former President Donald Trump warning against rate cuts before the elections. Following the meeting, there was a drop in the Dollar index and US yields, accompanied by a swift rise in bullion prices.



Source: WGC

One of the major developments was the Union Budget's decision to reduce the import duty on gold from 15% (10% customs + 5% Agri and infra development cess AIDC) to 6% (5%+1%). This 9% cut is significant, as it directly affects the cost of gold imports, making gold cheaper for domestic buyers and potentially increasing demand. Objective of this rate cut was to support overall demand and impair smuggling of Gold. In past 10 years, including this, only once a cut has been announced, i.e. on June 2021. As soon as the cut was announced, both Gold and Silver fell by more than Rs. 4000. Ahead of the budget, Gold was

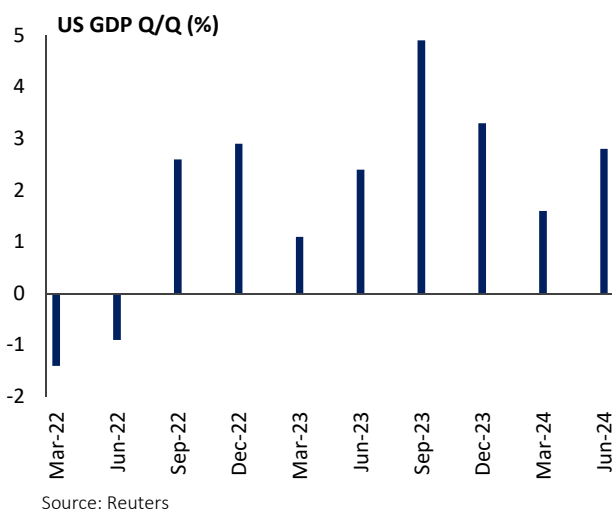
already at a discount of ~Rs. 1500 from parity pricing, suggesting that market had started to discount the possibility of a rate cut.

While geopolitical tensions did not dominate the headlines this month, there were sporadic updates that provided jerks to bullions. Back and forth, comments between Israel, Hamas and US were active in the previous month, a few signals regarding ceasefire were also reported, but no concrete update was received regarding the same. Towards the end of last month, Israeli air strike in Beirut that Israel said killed Hezbollah's most senior commander, providing support to prices.

Governor Powell in his testimony last month in front of Congress mentioned that it would not appropriate to reduce the target range until the Fed has gained greater confidence that inflation is moving sustainably

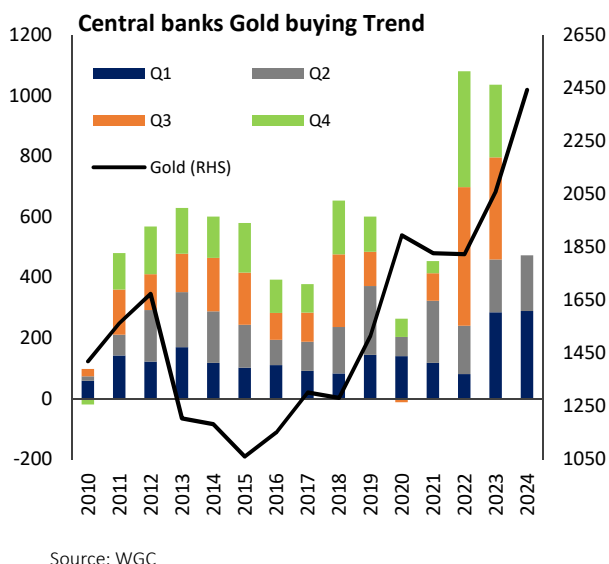
toward 2%. Objective of the US central bank is to bring inflation back down but also manage growth; hence, Fed officials are of the view that rushing into interest rate cuts could backfire. Governor Powell stressed that officials would seek to avoid squeezing the economy too much by keeping interest rates too high for too long, and Fed rate decisions would be made on a “meeting by meeting” basis.

Economic indicators released during the month showed mixed results. Key data points, such as retail sales, the Index of Industrial Production (IIP), and GDP figures, exceeded expectations, weighing on market sentiment and supporting an up move in Dollar. Surprisingly, US GDP was reported at 2.8% against the expectations of 1.9%, weighing on prices, this came just a day after import duty cut adding on to sharp correction in both the metals. However, inflation rates aligned with expectations, supporting the ongoing scenario of potential interest rate cuts. Market has been pricing in a rate cut since the beginning of the year, with the probability for a rate cut in September standing at approximately at 90%. Investors are also anticipating an additional rate cut in December.



Silver's role as an industrial metal made it more susceptible to fluctuations in industrial demand and broader economic conditions. Last month, a lack of substantial updates regarding industrial activity and weaker economic data especially from China along with correction in Gold weighed on overall optimism silver's performance. The industrial demand for silver, which is crucial for its price, showed signs of weakness, contributing to price declines. Gold/Silver ratio also reversed from the lows of ~76 and hit a high of ~86.50 in previous month, on the back of sharp fall witnessed in Silver.

A dramatic turn of events involved a failed assignation attempt on former President Donald Trump, combined with President Joe Biden’s unexpected decision to exit the race and endorse Vice President Kamala Harris. Harris has already managed to raise an impressive \$200 million in a short span, highlighting significant political fundraising momentum. This shift in the political landscape, marked by heightened volatility and uncertainty, has increased market fluctuations. Investors are now closely monitoring the potential impact of this political drama on economic policies and market stability.



Recent WGC quarterly report showed, central bank demand for gold played a crucial role in shaping market trends. Central banks purchased a total of 183 tons of gold in Q2 2024, a 39% decrease from the previous quarter but a 6% increase year-over-year. In the first half of 2024, net gold buying amounted to 483 tons, surpassing the previous record of 460 tons set in H1 2023 by 5%. This strong demand underscores continued confidence in gold's value as a reserve asset. Amidst rise in prices, recycled Gold also rose by 4% YoY reported at 335.4 tonnes in Q2'24 against 324 in Q2'23.

**Outlook:**

The precious metals market has experienced a month of notable fluctuations, with gold and silver reacting to a range of factors. Looking ahead, metals will continue to be influenced by developments in economic policy, central bank activities, and industrial demand. Focus will continue to remain on Economic numbers like US Jobs, PMI, inflation and GDP. Geopolitical developments are also giving jerks from side-lines; any significant improvement in it could support prices from lower levels. Further fall in Dollar index and US Yields also could support bullions. Along with above-mentioned factors, comments from Fed officials and change interest rate cut expectations will also be critical. Gold and silver could continue to trade in broad range for the month of August.

**Technical Outlook****GOLD**

Gold market analysis for July 2024 reveals significant volatility, ending the month on a negative note with a price decrease of Rs. 1927 rupees, equivalent to a 2.69% drop. After achieving a fresh all-time high, gold prices faced rejection at higher levels, resulting in the first monthly close below previous lows after nine consecutive bullish months. This suggests a potential shift in market sentiment or the beginning of a sideways market. The Ichimoku cloud analysis shows that gold prices are currently trading below the conversion line, which now acts as resistance. As per the current setup, gold is likely to trade within a broad consolidation range of Rs. 67500 to 72500 levels. A breakout on either side of this range will determine the market direction. Immediate support levels are at Rs. 69200 and Rs. 68400, while resistance levels are at Rs. 71100 and Rs. 72500.

**SILVER**

In July 2024, silver experienced significant volatility, reaching a high of 94590 and a low of 80270, ultimately closing at 83596, down by 4.10% from the previous month's close. The monthly close below previous lows further emphasize the bearish sentiment. The Ichimoku cloud analysis indicates that silver prices are currently trading below the conversion line, pointing to a medium-term bearish outlook. Additionally, the 14-day Relative Strength Index (RSI) is trading below the 50 level, which reinforces the bearish sentiment. Given the current technical setup, the overall trend remains bearish. It is recommended to sell on rises around the Rs. 85500 to 85000 range, with targets set at Rs. 81000 to 79500. Key resistance levels are identified at Rs. 87500 and Rs. 89000 levels.

**BULLDEX**

In July 2024, the 'Bulldex' Index experienced a significant decline, dropping by over 800 points, which represents a substantial 4.36% fall. The Ichimoku cloud, a technical indicator, suggests a bearish outlook as prices have been trading below the conversion line, which will act as resistance for the counter. Looking ahead, the Bulldex is expected to consolidate in the short to medium term, trading between immediate support at Rs. 17,200 – Rs. 17,100 levels and key resistance near Rs. 18,400 – Rs. 18,500 levels.

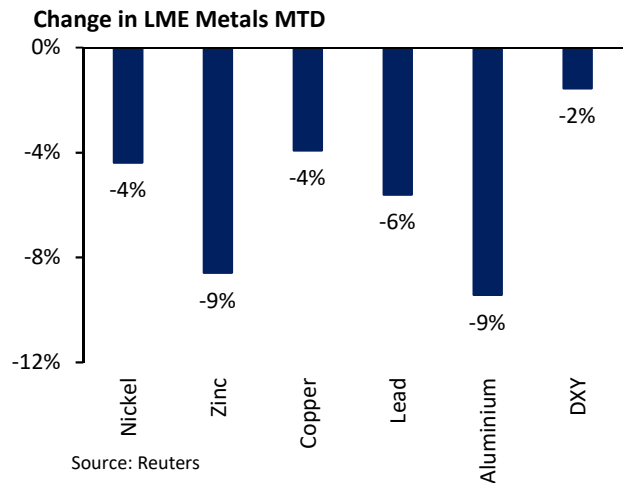
**DOLLAR INDEX**

In July, the dollar index (DXY) traded within a relatively narrow range since April 2024, fluctuating between 103.50 and 106.50. It ultimately closed the month around 104.00, marking a decrease of about 1.70%. Looking ahead, the DXY is expected to consolidate in the short term, trading between immediate support at 103.50 - 103.00 and key resistance near 106.50 - 107.35, with a sideways bias. A break on either side of this range will likely determine the market's direction.

## Base Metals

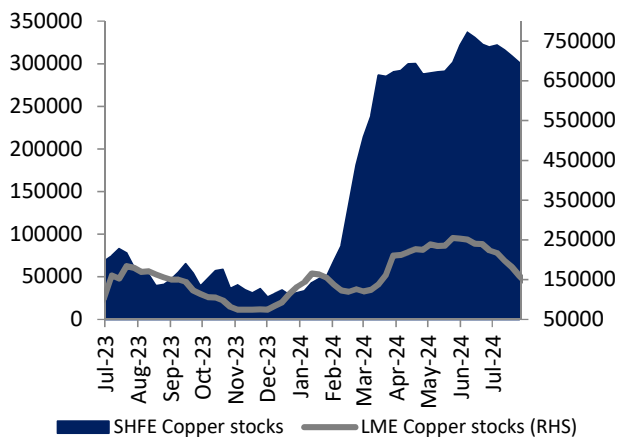
### Fundamental Outlook

**Copper** prices have been on a downward trend for most of the month, falling to their lowest levels in over 3½ months, approaching \$9,000 per ton. This decline is driven by concerns about demand from China following slower-than-expected economic growth in the second quarter and the lack of stimulus from a major political meeting. Investors are also awaiting signals about the global economic outlook from the Federal Reserve meeting and upcoming U.S. data releases.



Anticipated improvements in global manufacturing sentiment, bolstered by expected Federal Reserve rate cuts and potential inventory reductions in the latter half of 2024, could benefit metal markets. In China, the copper premium has surged to \$25 per ton—the highest in over three months—indicating increased demand relative to LME prices. The global refined copper market showed a notable surplus of 65,000 metric tons in May, up from 11,000 metric tons in April. Year-to-date, the market has experienced a surplus of 416,000 metric tons, compared to 154,000 metric tons a year ago. May’s refined copper output was 2.37 million metric tons, with consumption at 2.31 million metric tons.

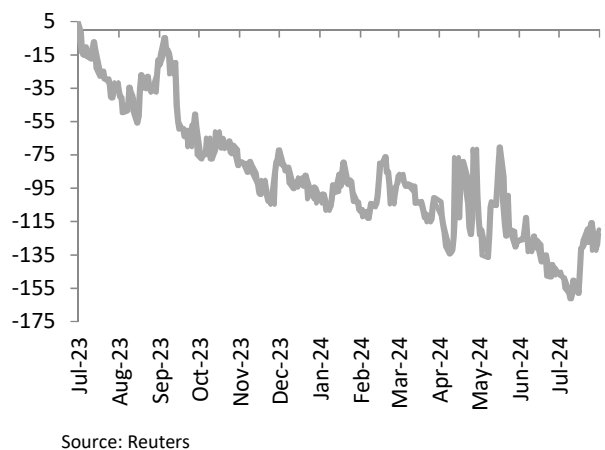
#### Copper LME and SHFE Stocks



Investors had been positioning for medium-term structural deficits due to long-term energy transition demand and mine supply constraints. However, the focus has now shifted to short-term demand risks, particularly in China, along with a lack of significant improvements in Europe and the U.S. Fundamentals have deteriorated more than anticipated, with rising inventories and a surge in China's refined copper exports.

On the supply side, copper inventories in LME warehouses have reached their highest level since September 2021, and inventories in China's bonded warehouses have hit their highest since May 2023. In May, the global refined copper market had a surplus of 65,000 metric tons, up from 11,000 metric tons in April. China's unwrought copper imports in June fell to a 14-month low of 436,000 metric tons, a 3% decrease from the previous year, mainly due to high global prices and weak domestic demand. Despite weaker-than-expected economic growth in China and disappointing outcomes from a key leadership meeting, which suggested policy continuity rather than transformative changes, China's refined copper exports hit a record high in June.

#### Copper Cash-3M Spread(\$)





Driven by weak domestic demand, smelters turned to overseas markets, with exports more than doubling to 157,751 tons from May, surpassing the previous all-time high of 102,000 tons set in 2012.

With prices now below \$9,000, scrap merchants are less inclined to supply, and inventories are low. As scrap supply diminishes in Q3, the tightening of raw material supply could support price stability.

**Aluminium** prices faced downward pressure for most of the month but found some support at lower levels due to tightening inventories and favorable macroeconomic conditions. The total social inventory of aluminium ingots dropped to 790,000 metric tons, although it remains 254,000 metric tons higher compared to the previous year.

Global primary aluminium production increased by 3.2% year-over-year to 5.94 million tonnes in June. For the first half of 2024, production rose by 3.9% year-over-year to 35.84 million metric tons, primarily due to higher output in China. China's

output for the first half of the year reached 21.55 million tons, a 7% increase from the previous year, with June's production being the highest in nearly a decade. Additionally, the premium for aluminium shipments to Japanese buyers for July to September jumped to \$172 per metric ton, marking a 16%-19% increase from the previous quarter, indicating tighter supply conditions in Asia.

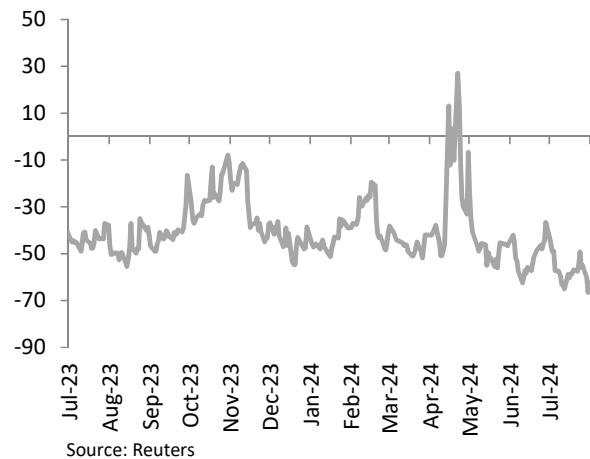
Despite China's record-high production, which positions it as the world's largest aluminium producer and consumer, there has been a simultaneous decline in demand from manufacturing sectors. This imbalance has led to oversupply and downward pressure on prices. Recent economic policies by the Chinese government have failed to stimulate metal demand, worsening the market conditions. With production exceeding consumption, the near-term outlook for the aluminium market remains challenging.

Overproduction in China, combined with weakening demand from key industries, has created a surplus of aluminium and exerted downward pressure on prices. The short-term outlook for aluminium remains bleak. Persistent oversupply and muted demand suggest that prices will likely remain under pressure unless there is a significant increase in consumption from major sectors like construction and automotive or efforts to reduce production. A sustained price recovery appears unlikely in the near term.

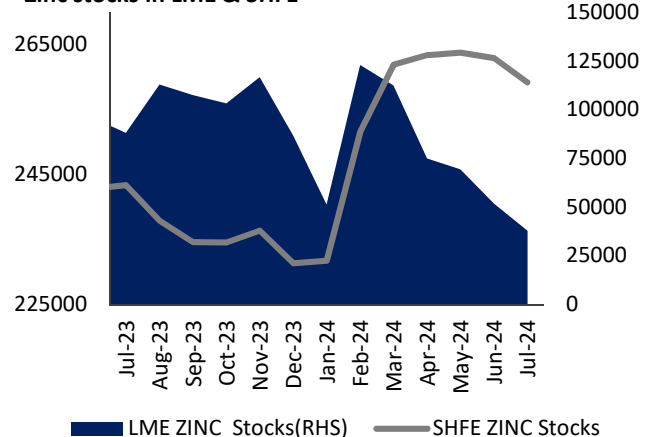
**Zinc** prices followed a downward trend similar to copper in July, falling by 9% for the month. Zinc ingot inventories across seven regions decreased to 169,100 metric tons, down by 22,800 metric tons from mid-July and 8,600 metric tons from late July.

The price declines have been driven by complex supply and demand factors. In the U.S., high interest rates and issues with raw material availability, along with rising freight costs and proposed import tariffs, have dampened purchasing activity. Germany also saw market impact from reduced demand in the automotive sector, especially for hybrid and electric

**Aluminium Cash-3M Spread(\$)**



**Zinc stocks in LME & SHFE**



vehicles. In China, zinc ingot prices fell due to increased ShFE stocks and the suspension of operations at MMG Ltd's Dugald River zinc mine in Australia. Additionally, ongoing debt issues in China's construction sector and speculation about potential stimulus measures from Beijing have contributed to market volatility.

In June, China's refined zinc production increased by 1.81% month-over-month to 545,800 metric tons, though it declined by 1.2% year-over-year. For the first half of the year, output totaled 3.182 million metric tons, down 1.4% from the previous year but still higher than expected.

Increased production in Guangxi, Gansu, and Guizhou, along with resumed operations at various smelters, helped offset reductions elsewhere due to maintenance shutdowns. Despite the production rise, zinc supply remains constrained due to tight raw material availability and persistently low refinery inventories.

The slowdown in the construction sector and reduced spending, combined with weak demand in the U.S., has led to a decline in zinc prices, which is likely to continue impacting the market in the short term.

## Technical Outlook

### COPPER

MCX Copper remained steady initially but witnessed weakness in the second half of the month of July, as the fall continued after recording the high of Rs. 881.70. It settled the month with a loss of around 4.00%. On the weekly chart, it has formed lower high and lower low structure in the recent corrective move however 14-period RSI on the weekly chart is hovering around midpoint mark of 50 suggesting a range bound move. There is a possibility for it to trade in a broader consolidation range of 775 - 835. We anticipate that it will remain within the specified range. Our view will be negated on the breach of the same on the either side.

### ZINC

MCX Zinc prices recorded the high of Rs. 277.00 initially and continued to decline for the rest of the month of July closing almost 4.00% lower on the negative note. On the weekly chart, 14-period RSI has made a failure swing top indicating weakening in the momentum on the higher side. One can expect the uptrend to stall for a while providing host of compelling signals. It is likely to remain in the broader range of 244 - 265. One can expect decisive moves on the break of the mentioned level on closing basis.

### ALUMINIUM

In the base metals pack, Aluminium prices declined by approximately 7.00% in the month of July. On the daily chart, 200 day SMA is acting as a resistance at Rs.215 level. The 14-period RSI on the daily chart continues to trade on the oversold zone of 30 mark indicating strength in the momentum towards downside. We suggest to maintain selling on rise till it holds below Rs. 221 level testing Rs. 200 on the lower side as it looks relatively weaker and seems likely to underperform going forward.



## Energy

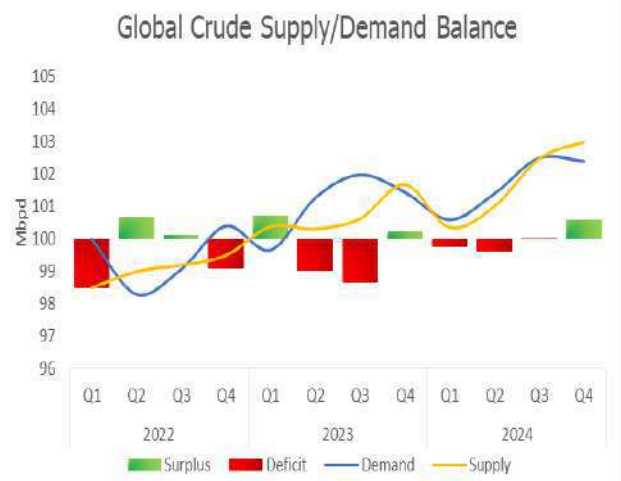
### Fundamental Outlook

**Crude oil** saw a volatile month, ending last month on a positive note with Canada's wildfires, continuously decreasing US oil stocks, and GDP figures from the U.S. coming in well above expectations, lifting sentiment. However, prices saw some downward pressure from their peak amid concerns about the soft demand outlook in China. That has countered the lift from OPEC+ output curbs and expectations of US interest-rate cuts.

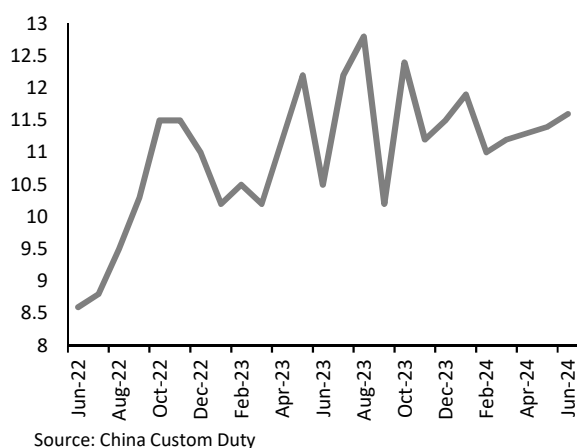
Wildfires in Canada threatening oil sands production also acted as a firmer floor for prices. Oil sands producers Canadian Natural Resources, Imperial Oil, and MEG Energy are closely monitoring the current situation in Alberta as wildfires are currently raging within 6–7 miles of some of their production sites. Estimates suggest that about 500,000 bpd of marketable oil sands production could be within 10 kilometres (6.2 miles) of an out-of-control blaze, roughly 10% of the total oil output in the province. However, the disruption could be quickly brought back online.

Political tensions were also the forefront, with political premiums staying above \$2 for most of the month with traders monitoring developments in the Middle East after Israel attacked Hezbollah targets, threatening further retaliation for a rocket strike that killed 12 children while continuing to signal an open truce for Gaza.

Prices also got some support from expectations that the Federal Reserve is getting closer to lower borrowing costs. OPEC+ meeting expectations also helped prices, with investors expecting compliance to remain strong, thus supporting prices. OPEC officials have suggested that the upcoming meeting will be routine, and that it doesn't plan on any changes to production cut quotas. While some estimates suggest that the group could make changes, OPEC has committed to being careful about adding barrels back to the market.



### China's crude oil imports(Mbpd)



On the forecast front, there seems to be huge diversification in the forecast for demand growth for the year. OPEC reported that global oil demand will grow by 2.2 mbpd, while the IEA said that growth will be less than 1 mbpd. But the difference between the OPEC and IEA forecasts is significant. China's economy disappointed investors, becoming a drag on global demand growth with demand growth slowing across all major petroleum products, but weakness is especially stark in industrial-linked fuels like diesel, which are suffering both from slower industrial activity and direct displacement by other fuels like LNG in the core heavy transportation

sector. With oil imports by China, which sources supplies from across the globe including Russia, the Middle East and the U.S. were 2.3% lower in the first half of the year compared with the same period in 2023. For

prices to rally, market participants are looking for developments in Chinese consumption that needs to reaccelerate in the second half of 2024 to hit consensus growth expectations.

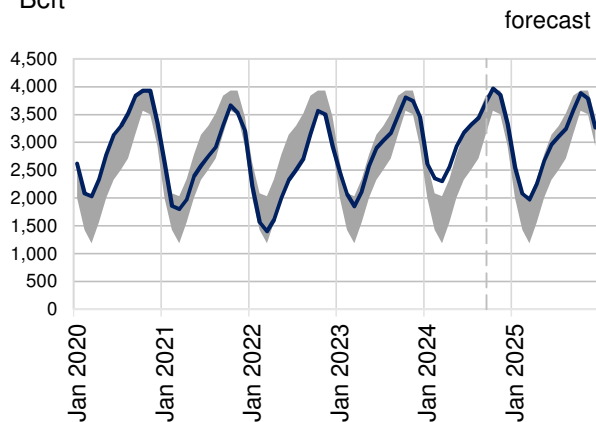
Summer gasoline demand showed signs of strengthening, demand after U.S. Independence day, which provided an expected bump in gasoline and jet fuel demand, with jet fuel demand rising above the 4-year average to the highest since 2019. Along with this, inventories at Cushing storage hub, the delivery point for West Texas, fell to the lowest levels since April.

On the U.S. election front, investors are digesting the news of President Joe Biden's decision to no longer seek reelection. Biden endorsed Vice President Kamala Harris, who will run against Republican frontrunner Donald Trump. Sentiment towards China was further dented by reports earlier this week suggesting that the U.S. was planning stricter trade restrictions on the country's technology sector - a move that stands to attract retaliatory measures from Beijing.

Speculation over a Donald Trump presidency also further soured sentiment towards China, given that Trump has maintained largely protectionist policies. Trump also said that he will push for increasing U.S. oil production - a move that could herald higher supply in the coming years. Focus is also on U.S. interest rate cuts, as soft inflation data and dovish signals from the Federal Reserve saw markets positioning for a September rate cut.

Natural gas saw a highly volatile month with prices ending last month on a negative note, as a large amount of gas in storage and rising output kept pressure on prices despite bullish forecasts for record-breaking heat later this week that could boost gas power burn to an all-time high. Prices failed to get support even from news of Freeport LNG, the second-largest U.S. liquefied natural gas exporter, resuming shipments following a shutdown due to Hurricane Beryl. The facility is ramping up processing, with gas flows expected to reach around 1.0 Bcfd. This restart is crucial for the market, as Freeport LNG accounts for a significant portion of U.S. export capacity.

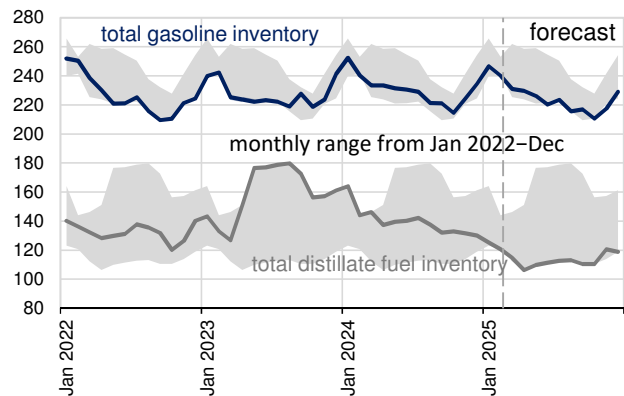
### U.S. working natural gas in storage Bcft



Source: EIA

So far this injection season (1 April – 31 October), the amount of natural gas injected into storage (fewer withdrawals) is 15% (166 Bft/d) less than the previous five-year average (2019 – 2023) for the same period and 15% (172 Bft/d) less than the same time in 2023. Despite the decrease in injections, working natural gas inventories in the Lower 48 states remain relatively high. Production of natural gas in the US during the second quarter was similar to 2023 during the same period. But US natural gas consumption was 3% (3 Bft/d) more, largely driven by increased consumption in the electric power sector. For coming months, EIA expects natural gas injections for the remainder of the injection season (July – October) will be 27% (265 Bft/d) less than the five-year average, narrowing the surplus in inventory to 6% above the five-year average by the end of the injection season. The overall market outlook leans bearish in the short term as the combination of ample supply and production capacity continues to outweigh bullish factors.

### U.S. gasoline and distillate inventories Mb's



Source: EIA

## Outlook:

Oil prices are expected to trade lower with investors facing several competing forces that can create volatility in the market. The strength of the dollar index, rising US bond yields, and downbeat US manufacturing activity data could limit gains in crude oil. The potential for a Gaza ceasefire remains a central focus, with any progress likely to exert downward pressure on prices. Economic indicators will remain crucial, particularly those from China and the U.S., as they shape expectations for global oil demand. The strength of the U.S. dollar will continue to play a significant role, with its movements closely tied to oil price changes.

Focus also remains on any signals from OPEC+ members. While no immediate policy changes are expected, any hints of future adjustments could sway market sentiment. OPEC's crude production remained steady for a third month, while some key members continued to pump above agreed limits.

## Technical Outlook

### CRUDEOIL

Crude Oil prices declined by more than 280 rupees or 4.13% in the month of July. On daily chart, Crude Oil is trading in a symmetrical triangle pattern. Prices have taken support near the lower bound of the pattern which was placed near Rs. 6200 level. Moreover, prices have formed a morning star candlestick which is considered as a bullish reversal formation. Key immediate resistance is placed at the 100 EMA (Exponential Moving Average) on daily chart which is observed at Rs. 6660 level. A decisive close above this level is likely to accelerate the momentum and push prices further higher towards the upper bound of the pattern which is placed at Rs. 7000 level. Buy on dips is suggested in the counter for medium term. If prices close below Rs. 6200 level, our view will be invalidated.

### NATURALGAS

In the month of July, Natural Gas prices dropped by over 45 rupees reporting a fall of 21%. In the first week of July, prices breached below the 100 EMA (Exponential Moving Average) on daily chart placed at Rs. 201 level which triggered further sell off in the counter. The 20 days moving average has crossed below the 100 EMA level on daily chart which signals further sell off in the counter. Key support is placed at Rs. 168 level. A decisive break below this level is likely to trigger fresh leg of selling which could drag prices even below Rs. 140 level. Key resistance is observed at Rs. 192 level. Sell on rise is suggested in the counter as long as this level is not breached on closing basis.

## Monetary Policy Updates

<i>Central Bank Policies</i>					
<b>MOTILAL OSWAL</b>					
<b>FINANCIAL SERVICES</b>					
Central Bank	RBI	FED	BOJ	BOE	ECB
<b>Date of Policy</b>	7th June, 2024	31st July, 2024	31st July, 2024	20th June, 2024	18th July, 2024
<b>Next Policy meet</b>	8th August, 2024	18th Sept, 2024	20th Sept, 2024	1st August, 2024	12th Sept, 2024
<b>Current Interest rate (%)</b>	6.50%	5.25%- 5.5%	0.25%	5.25%	4.25%
<b>Stance</b>	<b>Hawkish Pause</b>	<b>Dovish Pause</b>	<b>Cautiously Hawkish</b>	<b>Hawkish Pause</b>	<b>Dovish Pause</b>
<b>Key highlights of the meeting</b>	<ul style="list-style-type: none"> <li>RBI kept repo rate unchanged at 6.50%</li> <li>RBI decided to continue with focus on withdrawal of accommodation, which reflects a balanced approach to sustain economic growth while keeping inflation in check</li> <li>Food inflation still remains a concern</li> </ul>	<ul style="list-style-type: none"> <li>The Fed decided to kept rates unchanged while hinting towards a cut in next meeting</li> <li>Powell signalled a rate cut could be on the table in September, depending on incoming economic data</li> <li>The bank is equally focused on both aspects of their dual mandate- inflation and employment.</li> </ul>	<ul style="list-style-type: none"> <li>BoJ kept its policy rate unchanged holding its benchmark policy rate at 0%-0.1%.</li> <li>Will conduct JGB purchases in accordance with March meeting decisions</li> <li>Japan's economy has recovered moderately, although some weakness has been seen in part</li> </ul>	<ul style="list-style-type: none"> <li>The BoE maintained its bank rate at 5.25% despite inflation easing to 2% target</li> <li>August rate cut is being priced in on slightly dovish commentary</li> <li>MPC noted inflation had reached the central bank's target and said indicators of "short-term inflation expectations" and wage growth had eased.</li> </ul>	<ul style="list-style-type: none"> <li>ECB left its interest rates unchanged after a cut in the last meeting</li> <li>Rates were kept steady amid concern over inflationary pressures, particularly from the labor market</li> <li>The potential for two more rate cuts have been kept open</li> <li>Euro zone headline inflation rose to 2.6% in July from 2.5% in June</li> </ul>
<b>Forecasts</b>	<ul style="list-style-type: none"> <li>FY25 GDP growth forecast raised to 7.2%.</li> <li>GDP Q1 at 7.3%; Q2 at 7.2%; Q3 at 7.3% and Q4 at 7.2%.</li> <li>CPI inflation estimates for FY25 retained at 4.5%.</li> </ul>	<ul style="list-style-type: none"> <li>GDP forecast for 2024 was kept unchanged at 2.1%</li> <li>Core PCE is projected to tick higher to 2.6% from 2.4%</li> <li>Unemployment forecast seen at 4% for 2024</li> </ul>	<ul style="list-style-type: none"> <li>CPI forecast between 2.5% and 3% for FY 24, up from 2.2% to 2.5% in its January forecast.</li> <li>Downgrade in GDP forecasts for FY 24 to a range of 0.7% to 1%, down from January's prediction of 1%-1.2% growth.</li> </ul>	<ul style="list-style-type: none"> <li>GDP is expected to grow 0.0% in Q1 '24</li> <li>CPI-Q1 '24 is seen at 3.6%</li> <li>Unemployment rate Q1 '24 is seen at 4.4%</li> </ul>	<ul style="list-style-type: none"> <li>Economic growth of 0.6% seen in 2024, from a previous forecast of 0.8%.</li> <li>Inflation forecast for the year brought to an average 2.3% from 2.7%.</li> </ul>
<b>Currency Impacted</b>	<b>USDINR(₹)</b>	<b>Dollar Index(\$)</b>	<b>USDJPY(¥)</b>	<b>GBPUSD(£)</b>	<b>EURUSD(€)</b>
<b>Impact on Currency</b>	<b>Positive</b>	<b>Negative</b>	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>
<b>Impact on Gold</b>	<b>Neutral</b>	<b>Positive</b>	<b>Neutral</b>	<b>Neutral</b>	<b>Neutral</b>

## Events Calendar –August 2024

Monday	Tuesday	Wednesday	Thursday	Friday
			<b>1</b> FOMC Press Conference Caixin Mfg PMI (Jul) HSBC India Mfg PMI (Jul) BoE Interest Rate Decision (Aug) US Initial Jobless Claims S&P Global US Mfg PMI (Jul) ISM Manufacturing PMI (Jul)	<b>2</b> Avg Hourly Earnings (MoM) (Jul) Nonfarm Payrolls (Jul) Unemployment Rate (Jul) Factory Orders (MoM) (Jun)
<b>5</b> Caixin Services PMI (Jul) HSBC India Services PMI (Jul) S&P Global Services PMI (Jul) ISM Non-Mfg PMI (Jul)	<b>6</b> US Trade Balance (Jun)	<b>7</b> CNY Trade Balance (Jul)	<b>8</b> RBI Interest Rate Decision Initial Jobless Claims	<b>9</b> China CPI (YoY) (Jul) China PPI (YoY) (Jul)
<b>12</b> OPEC Monthly Report India CPI (YoY) (Jul)	<b>13</b> UK Claimant Count Change (Jul) UK Unemployment Rate (Jun) US Core PPI (MoM) (Jul) US PPI (MoM) (Jul)	<b>14</b> UK CPI (YoY) (Jul) WPI Inflation (YoY) (Jul) US Core CPI (MoM) (Jul) US CPI (MoM) (Jul)	<b>15</b> CNY Retail Sales (YoY) (Jul) UK GDP (QoQ) (Q2) US Core Retail Sales (MoM) (Jul) NY Empire State Mfg Index (Aug) Philadelphia Fed Mfg Index (Aug) US Retail Sales (MoM) (Jul) US Industrial Production (MoM) (Jul)	<b>16</b> UK Retail Sales (MoM) (Jul) US Building Permits (MoM) (Jul) US Housing Starts (MoM) (Jul) Michigan Consumer Sentiment (Aug)
<b>19</b>	<b>20</b> China Loan Prime Rate 5Y (Aug)	<b>21</b> FOMC Meeting Minutes	<b>22</b> UK Flash Mfg PMI UK Flash Services PMI US Unemployment Claims US Flash Mfg PMI US Flash Services PMI US Existing Home Sales Jackson Hole Symposium	<b>23</b> New Home Sales Jackson Hole Symposium
<b>26</b> US Core Durable Goods Orders US Durable Goods Orders m/m	<b>27</b> US CB Consumer Confidence	<b>28</b> -	<b>29</b> US Prelim GDP q/q US Unemployment Claims US Goods Trade Balance US Pending Home Sales m/m	<b>30</b> CNY Mfg PMI CNY Non-Mfg PMI US Core PCE Price Index m/m US Personal Income m/m US Personal Spending m/m US Chicago PMI Revised UoM Consumer Sentiment

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**Ms. Pareen Pattni:** Associate Analyst



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