



Wednesday, March 20, 2024

Overview

- China holds LPR rates unchanged
- Crude oil holds recent multi-month highs
- Gold prices trade cautiously ahead of Fed meeting tonight.

Precious Metals

Gold price inched lower as the dollar strengthened a day before the Federal Reserve signals its interest rate stance at the end of the U.S. central bank's two-day policy meeting. The dollar index rose to a two-week high after marking strong gains over the past two sessions, while the US 10Y Yield continued to hover around 4.3%, weighing on gold price. Bullion dipped nearly 1% last week after the release of hotter than expected February U.S. CPI and PPI, reduced hopes of early Fed rate cuts due to the threat of persistent inflation. The Fed is widely expected to keep interest rates steady at the conclusion of a two-day meeting, later today. But, markets feared any potentially hawkish signals from the central bank, particularly a dialing down in its interest rate cut forecasts, following hotter-than-expected inflation data for the past two months. Market participants will also keep an eye on comments from Governor Powell and on inflation and growth forecasts. Meanwhile, the Bank of Japan ended eight years of negative interest rates and made a few tweaks in their policy. On data front, both Housing starts and building permits were reported better than expectations, further supporting dollar index. Focus today will also be on UK CPI. Gold on domestic front is expected to trade in a range of Rs. 65,200- 66,000

Precious metals	Close (\$)	%Chg.
Gold	2158.4	0.1%
Silver	24.96	0.2%
CFTC data	Speculative Longs	Change WoW
Gold	159560	28500
Silver	26661	11131
ETF	Close	%Chg.
GOLD ETF	1934.8	5.29
Silver ETF	24814	-29.87
Others	Close	%Chg.
DXY	103.59	0.2%
US 10Y Yields	4.29	-1.0%

Base Metals

Copper prices edge lower, but remains near the recent peaks, on the back of volatility in Dollar Index and also as market participants remain cautious ahead of the Fed policy meeting. Changes in the interest rate expectations and positive economic data from the US triggered an up move in Dollar index from ~102.60 last week to ~103.80. US housing numbers i.e. Building permits and Housing starts were reported better than expectations adding further gains in Dollar. Chinese copper smelters are threatening to reduce output due to falling treatment charges this has been triggered by a tight concentrate market following cutbacks at mining operations late last year. China in today's early morning session left their 1 year and 5 year loan prime rate (LPR) unchanged. China continues to be the dominant player in the base metals market but subdued economic growth and a lack of big stimulus support have left the demand outlook flat. Focus today will be on the Fed policy meeting.

Energy

Crude oil prices settle higher on multi-month highs, on positive cues following reduction in exports from Iraq and Saudi Arabia hinting towards tighter markets but also posed caution ahead of key Fed decision. Prices were further bolstered by evidence of increased US refinery activity, stronger Chinese demand, and ongoing tensions in the Middle East where Ukrainian attacks put a key fuel refinery out of commission in Russia. API data showed US crude inventories declined by 1.519 million barrels last week, slowing from a 5.521-million-barrel drop in the previous week. Caution dominated sentiment ahead of the US Federal Reserve's interest rate decision tonight where the central bank is expected to not make any changes to the interest rate but the fresh dot plots and economic forecasts will be important to watch for and any hawkish sentiment may boost the dollar which may dent oil demand and curb investor risk appetite.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	756	0.5%
Aluminium	2040	0.0%
Nickel	1508	-0.9%
Lead	178	0.1%
Zinc	218	-0.8%

Inventory		Current	W/W Chg.	Units
Copper	LME	106700	-125	MT
	Shanghai	286395	47150	MT
Aluminum	LME	566425	-2100	MT
	Shanghai	206417	22153	MT
Nickel	LME	77652	228	MT
	Shanghai	15330	-30	MT
Lead	LME	199775	4775	MT
	Shanghai	67135	4325	MT
Zinc	LME	267200	2300	MT
	Shanghai	119584	10913	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	82.44	-1.2%
Natural gas	1.77	2.4%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	446.99	-1.54	Mnbl
Gasoline	234.08	-5.66	Mnbl
Distillate	117.90	0.89	Mnbl
Natural Gas	3.13	-0.21	bcf

CFTC data	Speculative Longs	Change WoW
Crude oil	169893	-14067
Natural Gas	-98042	8666

MT- Metric Ton, MNBL – Million Barrel, BCF –Billion Cubic Feet.

Options Monitor

MCX Gold Mini

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	26	0	1568	63500	25.5	66	139	13.9%	
-2.0%	338	36	1476.5	64000	61	686	1702	-1.7%	
-6.3%	15	16	1071.5	64500	106.5	131	147	10.5%	
8.3%	484	892	706	65000	249	2457	1236	-1.0%	
5.6%	133	568	439.5	65500	477.5	499	84	3.7%	
-4.3%	1253	2531	248.5	66000	789	205	141	-15.1%	
21.6%	45	40	137.5	66500	1106	0	0	0.0%	
19.6%	1060	687	55	67000	1576.5	0	0	0.0%	
75.0%	7	5	4	67500	2068	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
16.4%	4167	18885	282.7	6700	144.4	43693	9151	10.5%	
0.9%	671	3459	254.7	6750	160.4	5678	1199	9.1%	
16.1%	2870	65220	228.7	6800	182.8	71395	7231	75.9%	
208.5%	398	12400	204.9	6850	205.4	5562	426	10550.0%	
93.4%	2093	67519	181.1	6900	228.8	28354	2371	425.7%	
1226.3%	252	4322	161.4	6950	257.5	220	29	0.0%	
62.8%	2611	37748	142.1	7000	284.6	5294	1025	363.8%	
0.0%	2	4	78	7050	264.2	0	0	0.0%	
27.6%	994	17832	109.8	7100	344.5	116	52	108.0%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	2	0	26.7	115	0.05	432	947	-11.8%	
-16.0%	21	34	16.9	125	0.1	6740	2426	-28.1%	
-5.1%	1196	18115	8.15	135	0.5	36236	5465	36.7%	
-18.8%	6905	93730	5	140	1.4	118041	11987	29.8%	
-11.4%	12485	127440	2.65	145	255	112812	5407	71.1%	
-17.3%	18423	114954	1.3	150	6.6	68328	5618	-4.7%	
-3.6%	8929	36369	0.6	155	10.85	14437	604	6.0%	
-18.3%	5494	7557	0.25	165	20.5	520	386	-42.3%	
-5.9%	2683	1172	0.15	175	29.05	20	133	-7.6%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Apr	5,991	5,788	5,889	5,944	6,045	6,100	Bearish	Moderate	5917 - 6073
Cocudakl	NCDEX	Apr	2,665	2,603	2,634	2,652	2,683	2,701	Bearish	Moderate	2643 - 2692
Cotton	NCDEX	Mar	62,900	62,433	62,667	62,933	63,167	63,433	Bearish	Moderate	62550 - 63050
Dhaniya	NCDEX	Apr	7,672	7,536	7,604	7,666	7,734	7,796	Bearish	Moderate	7570 - 7700
Jeera	NCDEX	Mar	25,910	25,303	25,607	25,903	26,207	26,503	Bearish	Moderate	25755 - 26355
Guar Seed	NCDEX	Apr	5,180	5,116	5,148	5,168	5,200	5,220	Bearish	Moderate	5158 - 5210
Guar Gum	NCDEX	Apr	10,027	9,849	9,938	9,994	10,083	10,139	Bearish	Moderate	9966 - 10111
Mentha Oil	MCX	Mar	941	937	939	942	943	946	Bearish	Moderate	938 - 943
Turmeric	NCDEX	Apr	17,514	16,825	17,169	17,435	17,779	18,045	Bearish	Moderate	16997 - 17607

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Apr	65583	65215	65399	65559	65743	65903	Bearish	High	65307 - 65651
Gold Comex	Comex	Mar	2156	2156	2156	2156	2156	2156	Bearish	Moderate	2156 - 2156
Silver	MCX	May	75287	74404	74846	75282	75724	76160	Bearish	Moderate	74625 - 75503
Silver Comex	Comex	Apr	25.01	24.61	24.81	25.01	25.21	25.41	Bearish	Moderate	25 - 25
Crude	MCX	Mar	6944	6785	6864	6910	6989	7035	Bullish	High	6887 - 7012
Crude Nymex	Nymex	Apr	82.73	81.24	81.99	82.55	83.30	83.86	Bullish	Moderate	82 - 84
Nat Gas	MCX	Mar	145	139	142	145	147	150	Flat	Moderate	143 - 149
BullDex	MCX	Mar	16755	16667	16711	16762	16806	16857	Bearish	Moderate	16689 - 16784
Copper	MCX	Mar	756.40	748	752	759	763	770	Bearish	Moderate	750 - 761
Zinc	MCX	Mar	217.95	215	217	219	220	223	Bearish	Moderate	216 - 220
Lead	MCX	Mar	178	177	178	178	179	180	Bearish	Moderate	178 - 179
Aluminum	MCX	Mar	203.85	202	203	204	205	206	Bearish	Moderate	202 - 204

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