



Friday, March 22, 2024

Overview

- Gold and silver feel the brunt of renewed strength in dollar
- Oil prices pressured on possible Gaza ceasefire talks
- Japan inflation rate rose to 3-month high

Precious Metals

Gold eased slightly, hitting pause after a blistering rally amidst Federal Reserve Chair Jerome Powell hinted that the central bank was on course for three interest rate cuts in 2024. Despite recent high inflation readings, Governor Powell said the central bank is still likely to reduce interest rates by three-quarters of a percentage point by end-2024. US central bank raised inflation and growth forecast, mentioning that inflation is still sticky the Fed will continue to be data dependent. Traders are now pricing in a 72% chance that the Fed will begin cutting rates in June, up from 55% before the rate decision. The sentiment of at least 75bps rate cut this year, gave a boost to safe haven assets, along with that Fed also hinted on slowing the balance sheet runoff soon. After a good run up, both Gold and Silver witnessed some profit booking Dollar Index also inched higher from the recent low of ~102.90. On data front, preliminary Manufacturing and Services PMI were reported better than expectations. It will now be important to see how the Fed officials prepare the market from here on. Focus today will be on Governor Powell's speech. Gold, on domestic front, is expected to trade in a range of Rs. 65,600- 66,500.

Precious metals	Close (\$)	%Chg.
Gold	2203.1	0.8%
Silver	25.64	0.1%
CFTC data	Speculative Longs	Change WoW
Gold	159560	28500
Silver	26661	11131
ETF	Close	%Chg.
GOLD ETF	1938.3	3.53
Silver ETF	24733	-110.94
Others	Close	%Chg.
DXY	103.84	-0.6%
US 10Y Yields	4.26	-0.6%

Base Metals

Base metals rose strongly in early trading amid a risk-on tone across markets. US existing homes sales surged 9.5% last month, while US manufacturing activity expanded the most since June 2022. In China, electric vehicle sales almost double month-on-month in March on price cuts, according to China's Passenger Car Association. Zinc led the gains after Glencore announced it would temporarily cease operations at its McArthur River mine in Australia due to a cyclone. China's Yunnan province which is a major producer of aluminium suing hydropower to fuel its smelters is facing drought conditions. Rebound in Dollar index from their recent lows weighed on metal prices. Market participants continue to believe that there could be some tweaks in the Reserve Requirement Ratio (RRR) keeping the sentiments on the higher side.

Energy

Oil prices remained pressured amidst Gaza ceasefire talks and renewed strength in the dollar. A Reuters report showed that the U.S. is set to table a U.N. draft resolution on Friday demanding an immediate ceasefire in Gaza lasting about six weeks which could ease geopolitical concerns. Also, EIA data showed that gasoline product supplies in the US, a key factor for demand, fell below 9 million barrels for the first time in three weeks, suggesting weaker consumption. Natural gas prices slumped almost 2% amid low demand and abundant domestic supply. In the week ending March 15th, US utilities expanded their natural gas storage by 7 bcf to 2,325 billion cubic feet, exceeding market estimates of a 4 bcf build; indicating the likely end to the seasonal draw trend.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	754	-1.2%
Aluminium	2040	-0.4%
Nickel	1486	-1.5%
Lead	178	-0.5%
Zinc	219	-1.4%

Inventory		Current	W/W Chg.	Units
Copper	LME	112325	5625	MT
	Shanghai	286395	47150	MT
Aluminum	LME	566325	-100	MT
	Shanghai	206417	22153	MT
Nickel	LME	77754	102	MT
	Shanghai	15330	0	MT
Lead	LME	267075	67300	MT
	Shanghai	67135	4325	MT
Zinc	LME	270525	3325	MT
	Shanghai	119584	10913	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	81.71	0.2%
Natural gas	1.71	-2.6%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	445.04	-1.95	Mnbl
Gasoline	230.77	-3.31	Mnbl
Distillate	118.52	0.62	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	2	1930.5	63500	14	55	139	0.0%
-1.5%	333	20	1467	64000	39.5	821	1523	-10.5%
0.0%	15	3	1024.5	64500	84.5	137	158	7.5%
-8.5%	443	633	672	65000	207	1516	1241	0.4%
11.3%	148	712	404.5	65500	424.5	437	151	79.8%
-11.0%	1115	3277	222.5	66000	720	192	177	25.5%
26.7%	57	127	91.5	66500	979.5	0	0	0.0%
6.3%	1127	727	34.5	67000	1450	0	0	0.0%
0.0%	7	0	34	67500	1943	0	0	0.0%

MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
22.3%	1463	5471	399.9	6600	149.6	35090	4469	-29.8%
70.6%	29	173	362	6650	167	5695	556	-5.0%
3.5%	4313	30118	327.3	6700	189.2	70110	5934	-35.2%
8.3%	727	8365	295	6750	211.2	18055	992	-17.3%
124.3%	6436	103644	270.2	6800	239.4	93120	2724	-62.3%
220.4%	1275	15697	239.7	6850	266.3	5464	145	-66.0%
119.5%	4595	74084	216.3	6900	294.8	29594	639	-73.0%
5.6%	266	3364	192	6950	321.9	268	35	20.7%
66.0%	4334	46321	170.3	7000	361	6105	328	-68.0%

MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
0.0%	2	0	34.6	110	0.05	57	2405	0.8%
-3.0%	350	166	23.85	120	0.05	2355	5946	2.2%
2.1%	960	6982	14.8	130	0.1	11871	6295	-11.2%
-13.3%	1037	26863	10.05	135	0.35	38862	6664	21.9%
18.5%	8185	124655	5.95	140	255	167404	10350	-13.7%
37.7%	17194	142720	2.95	145	4.15	141805	4250	-21.4%
16.0%	21366	105409	1.35	150	8.4	56443	4667	-16.9%
-2.4%	19888	15468	0.25	160	18.2	3845	2350	-20.4%
-6.1%	10770	5190	0.1	170	28.3	211	533	-17.7%

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	2,612	2,604	2,608	2,612	2,616	2,620	Bearish	Moderate	2610 - 2618
Cotton	NCDEX	Mar	62,540	62,220	62,380	62,640	62,800	63,060	Bearish	Moderate	62300 - 62720
Dhaniya	NCDEX	Apr	7,740	7,545	7,643	7,715	7,813	7,885	Bearish	Moderate	7679 - 7849
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	934	924	929	936	941	947	Bearish	Moderate	926 - 938
Turmeric	NCDEX	Apr	17,736	17,155	17,445	17,713	18,003	18,271	Bearish	Moderate	17579 - 18137

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Apr	65750	65399	65575	65715	65891	66031	Bullish	Moderate	65645 - 65961
Gold Comex	Comex	Mar	2158	2130	2144	2165	2179	2200	Bearish	Moderate	2154 - 2189
Silver	MCX	May	75313	74642	74977	75240	75575	75838	Bearish	Moderate	74810 - 75408
Silver Comex	Comex	Apr	24.98	24.30	24.64	25.16	25.49	26.01	Bearish	Moderate	25 - 26
Crude	MCX	Mar	6748	6643	6695	6784	6836	6925	Bearish	Moderate	6669 - 6810
Crude Nymex	Nymex	Apr	81.68	80.34	81.01	82.11	82.78	83.88	Bearish	Moderate	81 - 82
Nat Gas	MCX	Mar	142	138	140	143	145	148	Bearish	Moderate	139 - 144
BullDex	MCX	Mar	16779	16702	16740	16781	16819	16860	Bullish	Moderate	16721 - 16800
Copper	MCX	Mar	753.60	747	750	754	757	761	Bearish	Moderate	749 - 756
Zinc	MCX	Mar	218.70	217	218	219	220	220	Bearish	Moderate	218 - 220
Lead	MCX	Mar	178	176	177	178	178	179	Bearish	Moderate	177 - 178
Aluminum	MCX	Mar	204.05	203	204	204	205	205	Bearish	Moderate	203 - 204

Navneet Damani

Head Research- Currencies and Commodities

Commodity Disclosure & Disclaimer:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CRCL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

Terms & Conditions:

- This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.
- This material is for the personal information of the authorized recipient and we are not soliciting any action based upon it.
- This report is not to be construed as an offer to sell or solicitation of an offer to buy any commodity or commodity derivative to any person in any jurisdiction where such an offer or solicitation would be illegal.
- It is for the general information of clients of MOFSL. It doesn't constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.
- The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL.
- The report is based on the facts, figures and information that are considered true, correct, reliable and accurate.
- All such information and opinions are subject to change without notice.
- Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.
- We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed.
- Neither MOFSL, nor any person connected with it, accepts any liability arising from the use of this document.
- The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the commodity referred to in this material may go up or down. Past performance is not a guide for future performance.
- Certain transactions including those involving commodity derivatives involve substantial risk and are not suitable for all investors.
- Reports based on technical analysis centers on studying charts of a commodity's price movement and trading volume as opposed to focusing on a commodity's fundamentals and as such may not match with a report on a commodity's fundamentals.
- Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject commodity for which Research Team have expressed their views.
- MOFSL or its associates or Research Analyst or his relatives may have Open Position in subject commodity.
- A graph of daily closing prices of commodities is available at <http://www.moneyline.co.in/>
- Opinions expressed are our current opinions as of the date appearing on this material only. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.
- The commodities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.
- This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.
- The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the commodities mentioned in this document.
- The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein.
- The commodities described herein may or may not be eligible for trade in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
- Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors.
- MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may (a) from time to time, have long or short positions in, and buy or sell the commodities mentioned herein or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodity/ (ies) discussed herein or have other potential conflict of interest with respect to any recommendation and related information and opinions. However the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the commodities mentioned in the research report.
- MOFSL and its associates and Research Analyst have not received any compensation or other benefits in connection with the research report. Compensation of Research Analysts is not based on any brokerage transactions generated by broking activities under Motilal Oswal group.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemang Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities : Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp@grievances@motilaloswal.com.