



Tuesday, March 26, 2024

Overview

- DXY rose supported by surprise rate cut by SNB and growth forecast revisions by the Fed
- Oil extends gains on supply tightness worries
- Copper prices pressured by reignited worries over Chinese economy

Precious Metals

Gold prices rose, driven by expectations of interest rate cuts by the U.S. Federal Reserve this year, even as traders await inflation readings this week for confirmation on the timing of these reductions. Gold hit record peaks last week after the Fed reiterated its view of three rate cuts of at least 75bps in 2024. Fed in their last meeting raised their growth and inflation forecast, maintain their data dependent dialogue. Traders are pricing in a 70% probability of a June rate cut, versus 65% before the Fed's March policy meet last week. It will now be important to see how the Fed officials prepare the market for the next meet and overall monetary policy path this year. The Fed's Lisa Cook said policymakers must take a cautious approach to allow more time for inflation to slow. However, Austan Goolsbee said he expects three rate cuts this year. Physical gold ETFs recorded the first weekly inflow of the year, totaling a significant ~14 tonnes, also providing a boost in the sentiment. Updates regarding UN council calling for Gaza ceasefire after months of debate has also garnered markets attention capping gains for metals on higher side. Focus today will be on the US Core Durables Goods orders data and Consumer Confidence data. Gold, on domestic front, is expected to trade in a range of Rs. 65,400- 66,300.

Precious metals	Close (\$)	%Chg.
Gold	2170.5	0.0%
Silver	24.62	-0.2%
CFTC data	Speculative Longs	Change WoW
Gold	157467	-2093
Silver	37819	11158
ETF	Close	%Chg.
GOLD ETF	1944.3	2.41
Silver ETF	24660	11.38
Others	Close	%Chg.
DXY	104.47	-0.3%
US 10Y Yields	4.23	0.8%

Base Metals

Base metals gained after China downplayed concerns about the challenges facing its economy. China's Premier, Li Qiang, told the China Development Forum that there is still space for macroeconomic policies to be broadened because consumer price growth is low, supporting the metal prices. Cutbacks to supply have led to higher premiums in China, while smelter treatment charges have been falling sharply. Copper inventory in warehouses registered with the Shanghai Futures Exchange (ShFE) fell slightly last week, after the strongest seasonal surge since 2020. The discount for the cash copper prices against the benchmark three-month contract hit \$113 a metric ton earlier on Monday, close to a record high of \$113.26. The pace of aluminium smelters in drought-hit Yunnan province restoring 500,000 metric tons of annual production, as dry weather continues to restrict hydropower supply is also supporting the metal. Focus this week will be on the US inflation data which could trigger some volatility in Dollar Index.

Energy

Oil prices settled higher as the Russian government's instructions to reduce oil output and attacks on energy infrastructure in both Russia and Ukraine countered the United Nations' call for a ceasefire in Gaza. Moscow has instructed firms to restrict oil output in the second quarter to hit a production target of 9 million bpd by the end of June, in accordance with its obligations to OPEC+. Also following a new development in the geopolitical space, the UN passed a resolution on Monday calling for an immediate cease-fire between Israel and Palestinian terrorists Hamas, as well as the release of all hostages, after the United States abstained from voting. Tighter supply in the market and uncertainty over ceasefire is expected to continue to support oil prices.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	757	-0.7%
Aluminium	2110	0.9%
Nickel	1473	-0.5%
Lead	176	1.0%
Zinc	219	-0.8%

Inventory		Current	W/W Chg.	Units
Copper	LME	117900	4050	MT
	Shanghai	285090	-1305	MT
Aluminum	LME	559600	-1100	MT
	Shanghai	199757	-6660	MT
Nickel	LME	77454	-390	MT
	Shanghai	15336	18	MT
Lead	LME	267750	-25	MT
	Shanghai	53631	-13504	MT
Zinc	LME	269375	-2725	MT
	Shanghai	121873	2289	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	82.26	0.3%
Natural gas	1.63	-2.7%

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	219965	50072
Natural Gas	-87438	10604

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		
-13.9%	229	52	1828.5	64000	4	2053	1990	41.9%	
0.0%	10	0	1312	64500	7	68	190	-17.0%	
-12.6%	229	138	732.5	65000	8	2318	2049	25.0%	
-10.8%	83	131	353	65500	36.5	1349	412	72.4%	
26.1%	1135	6031	94	66000	269	3324	616	22.2%	
40.6%	620	1637	34	66500	639.5	0	54	0.0%	
2.3%	1671	2240	25.5	67000	1108	5	5	-28.6%	
0.0%	17	31	26	67500	1637.5	0	0	0.0%	
1.5%	1021	461	5	68000	2137.5	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-15.1%	1213	7911	267.9	6600	92.9	25286	6265	28.5%	
-8.2%	67	577	235.9	6650	107.2	2912	792	30.0%	
-5.9%	3421	34520	208.4	6700	125.3	47405	8146	30.0%	
-9.5%	1436	12459	181.8	6750	143.2	12183	2309	50.4%	
-29.9%	5757	68026	159.4	6800	166.7	63013	5998	74.7%	
-11.7%	1176	9474	135.9	6850	189.1	6883	755	633.0%	
1.3%	5470	40660	119	6900	218.4	17434	1386	177.2%	
-0.8%	658	4114	101	6950	248	339	28	180.0%	
-10.4%	4072	31169	89.3	7000	280.2	3907	447	59.1%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	0	0	47.9	105	0.05	0	0	0.0%	
0.0%	0	0	38.05	115	0.7	134	41	41.4%	
0.0%	0	2	28.5	125	1.9	995	308	55.6%	
77.8%	256	937	25.75	130	2.65	6785	2264	19.7%	
305.0%	81	709	21.7	135	255	5980	1275	104.7%	
13.9%	1570	6392	17.8	140	5.1	12778	3354	9.6%	
35.7%	464	4265	14.5	145	6.9	6350	1034	27.5%	
14.2%	2587	8953	9.05	155	11.9	4643	730	2.8%	
-2.8%	1635	2996	5.4	165	18.4	135	88	44.3%	

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

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