



Tuesday, April 02, 2024

Overview

- Gold prices were weighed on by a stronger dollar and higher yields
- Oil prices rise on geopolitical uncertainty and supply tightness anticipation
- US Manufacturing Sector unexpectedly expands to 18-month high

Precious Metals

Gold prices pared gains in the previous session, as the dollar and bond yields rose, after the bullion surged to a fresh record high on growing expectation that the U.S. Federal Reserve could deliver the first interest rate cut in June. The dollar rose 0.5% to a more than four-month peak against its major crosses, while yields on 10-year Treasury notes also climbed. US Manufacturing PMI was also reported better than expectations, above 50 mark slightly weighing on bullion prices. Fed Chair Jerome Powell in his recent comments mentioned that February's inflation data was "more along the lines of what we want to see. He also said that the US Central bank is data dependent and is not eager to take any decisions. In the previous week, rate cut probability for the month of June was between 65-70%; growing rate cut expectations, safe-haven demand and central bank purchases amid geopolitical tensions have boosted gold by more than 8% this year. However, amidst the recent data points and comments from a few fed officials, probability for June rate cut has dropped to 55%. Recent updates regarding increased tensions between Iran and Palestine is cushioning the prices on lower end, any development in geopolitical distress could trigger further volatility in market. Focus today will be on comments from several fed officials, US factory

Precious metals	Close (\$)	%Chg.
Gold	2252.3	0.1%
Silver	25.28	0.8%
CFTC data	Speculative Longs	Change WoW
Gold	157720	253
Silver	30182	-7637
ETF	Close	%Chg.
GOLD ETF	1940.2	0.00
Silver ETF	24938	209.04
Others	Close	%Chg.
DXY	105.02	0.0%
US 10Y Yields	4.31	3.1%

Base Metals

Base metal prices rose, supported by improving demand outlook from top consumer China and looming concerns of raw material supplies. Shanghai copper recorded its best daily gain in two weeks after an official survey showed China's manufacturing activity expanded for the first time in six months in March. Caixin manufacturing PMI was also reported better than expectations at 51.1 v/s 51. Stronger-than-expected U.S. manufacturing data reported yesterday pushed Treasury yields higher and led investor worries over the timing of interest rate cuts by the Federal Reserve. Sentiment is improving in copper market amid the prospect of further supply tightness, this has seen difference between spot and near-dated future contracts reach their largest margin, in records that go back to 1994. The spot market was not yet feeling the impact of the tightness in supply of concentrate because of plentiful stocks built up ahead of China's National People's Congress. Stronger Dollar and geopolitical distress which could impact the overall economic growth are impacting capping some gains for metal on higher side. Focus this week will be on US Services PMI and jobs market data.

Energy

Crude prices continued to inch higher on anticipation is supply tightness ahead of OPEC meeting, geopolitical uncertainty and boost in demand expectations from robust economic activity in US and China. Drone assaults from Ukraine have taken out multiple Russian refineries, potentially reducing Russia's fuel exports as over 1 million bpd of Russian crude processing capacity is offline. An Israeli raid on Iran's embassy in Syria killed seven military advisors, including three senior commanders, signaling an escalation in the geopolitical conflict. Manufacturing activity in China and US increased in March, a sign of rising oil demand. Market participants look forward to the OPEC+ meeting wherein ministers are set for an online meeting tomorrow to review supply and demand in the market as well as how closely members' have stuck to the agreed output cuts.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	758	-0.1%
Aluminium	210 ^P	-0.7%
Nickel	1419	-0.8%
Lead	176	0.0%
Zinc	215	-1.0%

Inventory		Current	W/W Chg.	Units
Copper	LME	112475	-625	MT
	Shanghai	290228	5138	MT
Aluminum	LME	554475	-2050	MT
	Shanghai	216840	17083	MT
Nickel	LME	77148	312	MT
	Shanghai	16559	767	MT
Lead	LME	272200	4350	MT
	Shanghai	49223	-4408	MT
Zinc	LME	270875	7325	MT
	Shanghai	122892	1019	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	84.12	0.1%
Natural gas	1.84	4.0%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	448.21	3.17	Mnbl
Gasoline	232.07	1.30	Mnbl
Distillate	117.34	-1.19	Mnbl
Natural Gas	3.13	-0.21	bcf

CFTC data	Speculative Longs	Change WoW
Crude oil	217439	-2526
Natural Gas	-85436	2002

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%	0	0	1906.5	65500	185.5	9	7	16.7%
-4.2%	386	170	1630	66000	210.5	1902	1364	31.0%
-2.2%	45	11	1341.5	66500	324.5	115	80	1.3%
-24.4%	539	693	1047	67000	436	2352	768	19.1%
0.0%	27	152	793	67500	626.5	23	8	0.0%
4.7%	533	2683	536.5	68000	853	2648	398	1630.4%
1166.7%	38	150	284.5	68500	1069.5	5	2	0.0%
911.5%	617	2199	243	69000	1483.5	190	31	0.0%
0.0%	18	35	80.5	69500	1678	0	0	0.0%

MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-14.7%	2363	9119	288	6700	54.9	51209	12606	7.4%
-0.3%	1018	1413	249.1	6750	64.3	11598	2843	-2.2%
-8.6%	5550	41139	217.7	6800	78.1	90516	14081	5.7%
-10.5%	564	8872	186.9	6850	91.6	18610	2593	-0.5%
1.3%	6061	125866	162.3	6900	110.9	132085	10358	43.2%
23.5%	830	31656	136	6950	130.7	29844	1309	665.5%
14.1%	4591	110452	116.3	7000	154.6	95111	5874	168.0%
137.9%	421	17295	97.9	7050	179.8	3922	85	8400.0%
87.0%	2070	66719	83.2	7100	209.7	13394	550	547.1%

MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
0.0%	0	0	36.35	110	0.3	2381	1422	63.4%
-8.7%	940	911	27.5	120	0.6	6272	2415	-5.9%
-33.0%	418	2576	19.1	130	1.35	15710	3665	8.4%
-14.4%	178	1986	15.15	135	2	8818	3492	-12.5%
-47.9%	1667	18898	12.15	140	255	31658	8193	19.4%
-4.3%	3251	24416	9.2	145	4.55	24766	3713	45.1%
-32.8%	7735	64379	6.95	150	6.4	48996	7315	-15.0%
-12.0%	5855	38213	3.9	160	11.8	14081	2345	0.1%
-5.4%	3352	17104	2.1	170	19.1	1351	575	-12.3%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Apr	6,009	5,966	5,988	6,026	6,048	6,086	Bearish	Moderate	5977 - 6037
Cocudakl	NCDEX	Apr	2,620	2,538	2,579	2,606	2,647	2,674	Bearish	Moderate	2593 - 2661
Cotton	NCDEX	May	62,520	62,173	62,347	62,473	62,647	62,773	Bearish	Moderate	62410 - 62710
Dhaniya	NCDEX	Apr	7,758	7,482	7,620	7,720	7,858	7,958	Bearish	Moderate	7670 - 7908
Jeera	NCDEX	Apr	23,465	22,888	23,177	23,388	23,677	23,888	Bearish	Moderate	23033 - 23533
Guar Seed	NCDEX	Apr	5,198	5,116	5,157	5,187	5,228	5,258	Bearish	Moderate	5172 - 5243
Guar Gum	NCDEX	Apr	10,239	10,063	10,151	10,218	10,306	10,373	Bearish	Moderate	10185 - 10340
Mentha Oil	MCX	Apr	930	916	923	930	937	944	Flat	Moderate	919 - 933
Turmeric	NCDEX	Apr	16,536	15,844	16,190	16,670	17,016	17,496	Bearish	Moderate	16017 - 16843

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Apr	68331	67344	67837	68382	68875	69420	Bullish	Moderate	68110 - 69148
Gold Comex	Comex	Apr	2237	2209	2223	2244	2257	2278	Bullish	Moderate	2233 - 2267
Silver	MCX	May	75532	74311	74921	75621	76231	76931	Bullish	Moderate	75271 - 76581
Silver Comex	Comex	May	25.07	24.49	24.78	25.15	25.44	25.80	Bullish	Moderate	25 - 25
Crude	MCX	Apr	6997	6825	6911	6978	7064	7131	Bullish	Moderate	6945 - 7098
Crude Nymex	Nymex	May	82.82	81.09	81.95	82.71	83.57	84.33	Bullish	Moderate	82 - 84
Nat Gas	MCX	Apr	154	139	147	151	158	163	Strong	Moderate	149 - 160
BullDex	MCX	Apr	17163	17020	17091	17190	17261	17360	Bullish	Moderate	17056 - 17226
Copper	MCX	Apr	765.90	759	762	765	769	772	Bullish	Moderate	764 - 771
Zinc	MCX	Mar	217.70	216	217	218	219	219	Flat	Moderate	217 - 219
Lead	MCX	Apr	179	178	178	179	179	179	Strong	Moderate	178 - 179
Aluminum	MCX	Mar	209.55	208	209	209	210	210	Bullish	Moderate	209 - 210

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