



Thursday, May 02, 2024

Overview

- Fed kept interest rates unchanged for sixth consecutive time
- Gold inched higher as dollar weighed down
- Oil prices plummet on surprise inventory build up
- US trade balance and natural gas storage important for today.

Precious Metals

Gold price inched higher after trading steady in the past few trading sessions, amidst mixed comments in the Fed policy meeting and fall in US Yields & Dollar. US central bank kept the interest rate unchanged for the sixth straight time, raising concerns regarding sticky inflation and strong labour market. Fed mentioned inflation is away from its target of 2% and there are few factors which could support the same on higher side. Governor Powell in his statements said that the labour remained tight and some indication in ease off could increase the possibility of rate cut. There was no mention about the pace of rate cut however rate hike is not in focus for now. One important thing that the Fed announced was the ease off in the balance sheet runoff. From June the Fed would reduce the cap on the amount of US Treasury bonds it allows to mature each month, without buying them back, from \$60bn to \$25bn. This cool off in QT supported an up move in bullions and weighed on US Yields. In data front, US consumer confidence was reported lower than estimates at 97, focus now shifts to US factory orders data today and non-farm payroll data scheduled tomorrow. Gold on domestic front is expected to trade in the range of ₹70,600 and 71,700.

Precious metals	Close (\$)	%Chg.
Gold	2318.7	0.0%
Silver	26.56	-0.3%
CFTC data	Speculative Longs	Change WoW
Gold	176157	3296
Silver	39955	-1007
ETF	Close	%Chg.
GOLD ETF	1943.2	-0.24
Silver ETF	24632	-73.91
Others	Close	%Chg.
DXY	105.76	0.0%
US 10Y Yields	4.62	-2.0%

Base Metals

Copper prices fell in the previous session as funds continued to cash in near the \$10,000 mark, following the sharpest rally in years. Industrial metal of good conductivity, one of the most widely used in the world, has soared by 16% so far this year. Copper supply rose slightly with rising inventory in Taiwan, total stocks have recovered from a three-week low in warehouses monitored by LME. Chinese Manufacturing activity in April boosted the outlook for demand, however hopes of an imminent rate cut fade capped some gains for metals on higher side. Zinc prices also witnessed a fall after a sharp rally, as reports regarding Nyrstar resuming its production at its Budel smelting operations, eased some concerns regarding supply tightness. Budel operations was put on care & maintenance in Jan 2024, it has a capacity of 3,15,000 tonnes per year, it has announced that it will restart production with reduced capacity due to higher prices. Dollar Index was close to six months high as expectations of a rate cut keeps getting delayed. Focus now shifts to US jobs market data scheduled tomorrow which could trigger some volatility in the prices.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	858	-0.9%
Aluminium	237 ^P	-2.5%
Nickel	1617	-0.8%
Lead	191	0.1%
Zinc	256	-1.6%

Inventory		Current	W/W Chg.	Units
Copper	LME	117375	1250	MT
	Shanghai	287498	-12547	MT
Aluminum	LME	489250	-1500	MT
	Shanghai	223859	-4678	MT
Nickel	LME	78522	-72	MT
	Shanghai	19561	258	MT
Lead	LME	270225	-2175	MT
	Shanghai	48321	-3425	MT
Zinc	LME	254875	-475	MT
	Shanghai	127792	-3955	MT

Energy

Oil prices fell almost 3% lower on a surprise build in crude oil inventories and the prospect of a Middle East ceasefire agreement along with fading hopes for near-term U.S. interest rate cuts that could boost oil demand. EIA reported an inventory rise of 7.3 million barrels in the week ending April 26. In gasoline, the authority reported a 300,000-barrel inventory increase last week. Conversely, a 700,000-barrel inventory draw for distillate fuels was reported. A proposed ceasefire between Israel and Hamas might potentially dampen expectation of tighter markets by reducing the possibility of supply disruptions. Following a renewed push by Egypt, expectations of a ceasefire agreement between Israel and Hamas have strengthened. The Fed kept its interest rates unchanged for the sixth consecutive meeting at 5.25%-5.50% and signaled that rates could likely remain higher for longer than previously expected, while the labor market remained tight with stubborn inflation. Natural gas prices remain pressured amid signs of ample supply. New data showed that domestic LNG exports fell by 1.55 million metric tons to 6.19 million in April, marking the fourth consecutive decline. Today, focus will be on US trade balance and gas storage data.

Energy	Close (\$)	%Chg.
WTI Crude oil	79.45	0.4%
Natural gas	1.96	-3.1%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	460.89	7.26	Mnbl
Gasoline	227.09	0.34	Mnbl
Distillate	115.85	-0.73	Mnbl
Natural Gas	3.13	-0.21	bcf

CFTC data	Speculative Longs	Change WoW
Crude oil	179646	-24251
Natural Gas	-88391	25998

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%	43	4	1841	69000	293	807	491	16.9%	
0.0%	0	0	1477	69500	463.5	2	3	0.0%	
-19.5%	178	251	1207	70000	603.5	1454	939	11.0%	
0.0%	2	0	975	70500	818	69	9	50.0%	
1.6%	821	1668	737	71000	1086	692	621	6.2%	
6.2%	120	250	589.5	71500	1357.5	0	5	0.0%	
-6.2%	1675	2074	447.5	72000	1737	99	227	2.3%	
10.0%	22	45	348.5	72500	2068.5	0	0	0.0%	
3.3%	967	643	284	73000	2737	1	58	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
443.7%	1691	12136	376.3	6500	106.5	77314	2870	27.8%	
0.0%	18	57	305.5	6550	126.1	19258	259	0.0%	
1013.9%	5670	55954	294.8	6600	147.3	97898	3391	35.7%	
30766.7%	926	12033	259.8	6650	171.7	29886	582	33.5%	
923.4%	12434	157181	226.7	6700	199.6	140275	4728	12.7%	
2019.5%	2607	38968	195.9	6750	226.5	37348	1061	30.7%	
185.7%	15652	164405	168.7	6800	260.6	123118	5529	-1.3%	
127.0%	4888	39253	142.6	6850	298.8	14290	1036	-1.1%	
37.4%	20599	115954	121.7	6900	335.7	62799	5035	-17.6%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	4	0	29.9	135	1	1804	1132	13.5%	
5.7%	56	71	22.65	145	2.55	3404	1341	3.6%	
23.5%	268	5974	14.8	155	5.55	9780	1378	-14.9%	
97.9%	4298	30958	11.9	160	7.75	35688	7072	19.0%	
66.7%	3383	23249	9.45	165	255	15296	1959	0.5%	
28.3%	7821	27791	7.3	170	13.3	15250	4559	8.2%	
32.9%	6377	10349	5.55	175	16.7	4010	1063	19.8%	
85.9%	2023	3943	3.2	185	24.75	135	229	0.0%	
1.9%	476	1003	1.85	195	32.25	0	33	0.0%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	May	5,707	5,674	5,691	5,705	5,722	5,736	Bearish	Moderate	5683 - 5714
Cocudakl	NCDEX	May	2,556	2,535	2,546	2,560	2,571	2,585	Bearish	Moderate	2553 - 2578
Cotton	NCDEX	May	58,660	58,487	58,573	58,687	58,773	58,887	Bearish	Moderate	58530 - 58730
Dhaniya	NCDEX	May	7,458	7,374	7,416	7,462	7,504	7,550	Bearish	Moderate	7395 - 7483
Jeera	NCDEX	May	22,535	22,262	22,398	22,547	22,683	22,832	Bearish	Moderate	22330 - 22615
Guar Seed	NCDEX	May	5,546	5,483	5,515	5,555	5,587	5,627	Bearish	Moderate	5499 - 5571
Guar Gum	NCDEX	May	11,124	10,940	11,032	11,121	11,213	11,302	Bearish	Moderate	10986 - 11167
Mentha Oil	MCX	May	915	905	910	918	923	931	Bearish	Moderate	908 - 921
Turmeric	NCDEX	June	18,982	18,247	18,615	19,007	19,375	19,767	Bearish	Moderate	18431 - 19191

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	70725	70140	70432	70677	70969	71214	Bearish	Moderate	70555 - 71092
Gold Comex	Comex	May	2300	2260	2280	2304	2324	2347	Bearish	Moderate	2292 - 2335
Silver	MCX	July	81227	80495	80861	81175	81541	81855	Bearish	Moderate	81018 - 81698
Silver Comex	Comex	June	26.62	26.00	26.31	26.71	27.02	27.43	Bearish	Moderate	27 - 27
Crude	MCX	May	6622	6475	6549	6683	6757	6891	Bearish	Moderate	6512 - 6720
Crude Nymex	Nymex	June	78.44	76.59	77.51	79.21	80.13	81.83	Bearish	Moderate	77 - 80
Nat Gas	MCX	May	163	158	160	163	165	167	Bearish	Moderate	159 - 164
BullDex	MCX	May	17897	17788	17842	17879	17933	17970	Bearish	High	17861 - 17952
Copper	MCX	May	855.60	850	853	855	858	861	Bearish	Moderate	851 - 857
Zinc	MCX	May	253.75	250	252	254	256	258	Bearish	Moderate	251 - 255
Lead	MCX	May	191	189	190	191	191	192	Bearish	Moderate	190 - 191
Aluminum	MCX	May	236.10	234	235	236	237	238	Bearish	Moderate	234 - 236

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 CCRL 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 alterations 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 it's 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.