



Monday, May 06, 2024

Overview

- China Services PMI growth remains stable
- Dollar inches lower after weak US jobs data
- Crude oil ended the week lower on easing risks of supply disruptions
- Natural gas prices surge due to increased exports and reduced output.

Precious Metals

Gold prices last week traded in a range as market participants were cautious ahead of the Fed monetary policy meeting and US jobs market data. Federal Reserve in the previous week kept interest rate steady and raised concerns regarding sticky inflation; Governor Powell did mention that any sign of an ease off in labour market could lead to a rate cut. Terms like higher for longer and data dependent were intact in Fed Governor's comments. US central bank did announce that from June they will look to ease off the pace of balance sheet runoff. US job growth slowed more than expected in April, reinforcing expectations that Fed will start cutting interest rates later this year. US Non-farm reported job addition of 175k against expectations 238k, unemployment rate was also marked at 3.9%. Markets are now pricing 67% chance of US rate cut in September. NY Fed President Williams said 2% target for inflation is "critical" to Fed's efforts to achieve price stability. Amidst these updates, Dollar index fell from ~105.80 to 105 mark, US 10Y Yield also fell from 4.6% to around 4.5% zone. Focus today will be on Services PMI from major economies. Gold on domestic front is expected to trade in the range of ₹70, 600 and 71,700.

Precious metals	Close (\$)	%Chg.
Gold	2310.2	0.4%
Silver	26.88	1.3%
CFTC data	Speculative Longs	Change WoW
Gold	167139	-9018
Silver	33760	-6195
ETF	Close	%Chg.
GOLD ETF	1937.7	-4.53
Silver ETF	24612	-19.91
Others	Close	%Chg.
DXY	105.03	0.1%
US 10Y Yields	4.50	-1.6%

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Base Metals

Copper prices head for weekly losses after 5-week rally as fears of U.S. rates sparked some profit-taking, but prices still remained in sight of recent two-year peaks. Expectations that global supply will struggle to meet growing demand from clean energy sectors has seen prices rally strongly, this has been aided by better-than-expected economic data from China. First quarter GDP growth rose to 1.6% q/q, suggesting a significant gain in growth momentum, however, the composition of growth continues to shift in favor of commodity demand. The International Copper Study Group, which made a sharp cut to its estimate for a global surplus this year, to 162,000 tons from the 467,000 tons forecast in October. Zinc too struggled in the previous week, after news that Nysrstar's mine in Budel and Sweden's Boliden in Ireland will restart production. LME nickel gained 3% to \$19,215 a ton, shrugging off LME inventories that reached their highest level in 15 months, having surged by 73% over the past five months.

Energy

Oil prices closed lower and were on track for heavy losses this week, even as dollar weakened following a weaker-than-expected US jobs report, and data pointing to increased US supplies reduced forecasts on tighter markets. Easing fears of supply disruptions in the Middle East also cooled off prices after Israel and Hamas continued negotiations over a potential ceasefire with little developments. Baker Hughes rig count dipped below 500 at 499, from the previous 506, pointing to weaker drilling activity even as the demand-heavy U.S. summer driving season approach. According to Reuters OPEC+ could potentially maintain their current run of 2.2 million barrels per day of production cuts beyond the-June deadline, especially if demand does not pick up. Natural gas prices rose almost ~5% due to increased exports and reduced output. Major energy giants like EQT and Chesapeake Energy have cut back on drilling and completions, causing a 9% decrease in US gas production this year.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	855	-1.1%
Aluminium	233 ^P	-1.8%
Nickel	1592	-1.5%
Lead	192	0.4%
Zinc	258	1.2%

Inventory		Current	W/W Chg.	Units
Copper	LME	111300	-3975	MT
	Shanghai	287498	-12547	MT
Aluminum	LME	487750	-1500	MT
	Shanghai	223859	-4678	MT
Nickel	LME	79920	1140	MT
	Shanghai	19561	258	MT
Lead	LME	266000	-2725	MT
	Shanghai	48321	-3425	MT
Zinc	LME	253975	-900	MT
	Shanghai	127792	-3955	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	78.38	0.4%
Natural gas	2.19	5.0%

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	172689	-6957
Natural Gas	-103768	-15377

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	2357.5	68500	151.5	0	2	0.0%	
-3.1%	31	18	1948	69000	236.5	1863	579	21.4%	
0.0%	0	0	1581.5	69500	367	0	4	0.0%	
11.0%	182	597	1239	70000	526	3974	1038	-5.9%	
57.1%	11	62	993	70500	772	176	41	17.1%	
19.0%	1073	5626	755	71000	1000.5	1579	653	-0.6%	
0.0%	161	292	590.5	71500	1319	0	6	0.0%	
4.4%	1440	3783	433.5	72000	1721	116	226	-2.2%	
-10.7%	25	34	334.5	72500	2060	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
23.5%	84	688	354.2	6300	46.2	33899	1498	-17.1%	
0.0%	0	0	276.4	6350	56.4	5361	141	227.9%	
109.6%	809	11328	271.2	6400	71.3	54600	1735	-20.4%	
2100.0%	44	331	251.4	6450	85.4	20809	1498	5.6%	
79.7%	5638	90906	204.3	6500	108.7	127875	6475	31.1%	
186.3%	1300	25737	171.9	6550	128.1	51001	2721	8.2%	
49.7%	14561	209608	147.2	6600	156.8	178704	7096	13.4%	
21.6%	4543	45108	121.6	6650	182	23466	1005	-4.1%	
-1.0%	15168	124922	102.1	6700	218.9	75157	5039	-16.9%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-25.1%	305	474	30.75	140	0.65	8663	6050	14.3%	
-3.6%	1205	1609	21.95	150	1.35	15435	6741	16.4%	
-35.3%	1778	16185	14.75	160	2.8	37919	11131	30.3%	
-28.9%	1207	18148	11.7	165	3.8	33181	6292	149.7%	
-11.2%	4648	63366	9.05	170	255	65058	8488	81.1%	
-20.0%	4160	42248	6.85	175	7.3	22542	2163	168.7%	
-16.2%	5097	59709	5.1	180	9.7	25908	2217	128.8%	
1.2%	3161	25659	2.75	190	15.75	4345	623	43.9%	
8.8%	5340	23257	1.4	200	23.3	841	1097	0.4%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	May	5,641	5,607	5,624	5,647	5,664	5,687	Bearish	Moderate	5616 - 5656
Cocudakl	NCDEX	May	2,573	2,538	2,555	2,573	2,590	2,608	Bearish	Moderate	2564 - 2599
Cotton	NCDEX	May	57,580	56,833	57,207	57,433	57,807	58,033	Bearish	Moderate	57320 - 57920
Dhaniya	NCDEX	May	7,386	7,322	7,354	7,392	7,424	7,462	Bearish	Moderate	7373 - 7443
Jeera	NCDEX	May	24,230	23,457	23,843	24,492	24,878	25,527	Bearish	Moderate	23650 - 24685
Guar Seed	NCDEX	May	5,410	5,341	5,376	5,410	5,445	5,479	Bearish	Moderate	5359 - 5428
Guar Gum	NCDEX	May	10,787	10,638	10,713	10,808	10,883	10,978	Bearish	Moderate	10676 - 10846
Mentha Oil	MCX	May	936	924	930	934	940	945	Bullish	High	932 - 942
Turmeric	NCDEX	June	18,832	18,345	18,589	18,983	19,227	19,621	Bearish	Moderate	18467 - 19105

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	70668	69579	70124	70626	71171	71673	Bearish	Moderate	69852 - 70899
Gold Comex	Comex	May	2299	2269	2284	2293	2307	2316	Bearish	Moderate	2277 - 2300
Silver	MCX	July	79712	78897	79305	79802	80210	80707	Bearish	Moderate	79101 - 80006
Silver Comex	Comex	June	26.57	25.85	26.21	26.61	26.97	27.38	Bearish	Moderate	26 - 27
Crude	MCX	May	6546	6470	6508	6578	6616	6686	Bearish	Moderate	6489 - 6597
Crude Nymex	Nymex	June	77.76	76.63	77.20	78.18	78.75	79.73	Bearish	Moderate	77 - 78
Nat Gas	MCX	May	179	164	172	176	183	188	Bullish	High	174 - 185
BullDex	MCX	May	17846	17615	17731	17850	17966	18085	Bearish	Moderate	17673 - 17908
Copper	MCX	May	855.30	839	847	852	860	865	Bearish	Moderate	850 - 862
Zinc	MCX	May	257.80	253	256	257	259	261	Bullish	High	256 - 260
Lead	MCX	May	192	189	190	191	192	193	Bullish	High	191 - 193
Aluminum	MCX	May	233.30	229	231	233	235	237	Bearish	Moderate	232 - 236

Navneet Damani

Head Research- Currencies and Commodities

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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

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