



Tuesday, May 07, 2024

Overview

- China Services PMI growth remains stable
- Dollar weakens on Fed rate cut hopes
- Natural gas prices surge due to increased exports and reduced output.
- Focus today will be on EIA-Short Term Energy Outlook

Precious Metals

Gold prices edged higher, steered by bets that the U.S. Federal Reserve would cut interest rates later this year and safe-haven demand for bullion as Gaza ceasefire remains uncertain. US job growth slowed more than expected in April, while increase in annual wages fell below 4.0% first time in nearly 3 years. Cooling labor market gives the Fed some impetus to trim rates, its main point of contention remains the issue of sticky inflation. Fed Bank of New York President John Williams said that at some undefined point the U.S. central bank will lower its interest rate target. He did not offer a time table for action but said the economy was overall moving back into better balance. Investors closely monitored latest developments in Middle East conflict, Hamas agreed to Gaza ceasefire proposal from mediators, but Israel said the terms did not meet its demands and pressed ahead with strikes in Rafah while planning to continue negotiations on deal. Economic calendar is muted for this week w.r.t. US, however focus will be string of addresses from top Fed officials, for more cues on interest rates. Gold on domestic front is expected to trade in the range of ₹70,850 and 71,750.

Precious metals	Close (\$)	%Chg.
Gold	2321.3	-0.1%
Silver	27.31	-0.5%
CFTC data	Speculative Longs	Change WoW
Gold	167139	-9018
Silver	33760	-6195
ETF	Close	%Chg.
GOLD ETF	1934.0	-3.65
Silver ETF	24612	0.00
Others	Close	%Chg.
DXY	105.05	0.1%
US 10Y Yields	4.49	-0.2%

Base Metals

Copper rose after International Copper Study Group (ICSG) has cut its forecast supply surplus for this year due to much lower-than-expected mine production. In its latest report Goldman Sachs, raised its year end forecast \$12,000/ton, a 21% rise from current prices and they continue to see another 50% gain (on average) in 2025. The industrial metal climbed to a two-year high, supported by strong global economic activity, particularly surging demand driven by energy transition technologies like EVs, wind and solar. The International Copper Association (ICA) forecasts that copper demand will increase from 28.3 million metric tons in 2020 to 40.9 million metric tons by 2040, with a compound annual growth rate of 1.85%. On other hand, tightness in copper market has been weighing on margins at Chinese smelters, so much so that production cuts have been hanging over the market, supporting the prices on lower end.

Energy

Crude oil prices steadied as ceasefire talks between Israel and Hamas appeared to have stalled, with Israel pressing ahead with strikes in the southern Gaza city of Rafah. Hamas agreed to a ceasefire proposal put forward by mediators, but Israel said the terms did not meet its demands. On demand side, Saudi Arabia raised the official selling prices for its crude shipped to Asia, Northwest Europe, and the Mediterranean in June, by 90 cents indicating that demand will be robust this summer. A seesaw between stalling ceasefire and robust crude oil supplies continue to weigh on prices. In China, services activity remained expansionary for the 16th consecutive month, while new order growth quickened and business sentiment climbed significantly, raising optimism for a long-term economic rebound. Natural gas prices climbed higher, fuelled by increased demand estimates for the next two weeks, with feedgas levels to LNG export plants on the rise, particularly with the reopening of Freeport LNG in Texas.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	867	1.1%
Aluminium	2350	0.6%
Nickel	1599	0.4%
Lead	192	0.4%
Zinc	258	0.4%

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	19615	54	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	78.72	-0.1%
Natural gas	2.21	2.4%

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		
-3.2%	30	10	1786	69000	152	853	547	-5.5%	
0.0%	0	0	1508	69500	186.5	0	4	0.0%	
11.0%	202	222	1163	70000	311.5	2968	1065	2.6%	
27.3%	14	16	899	70500	481.5	140	42	2.4%	
-33.5%	714	3303	665.5	71000	660.5	2915	775	18.7%	
-3.1%	156	570	494.5	71500	901	7	6	0.0%	
-6.0%	1353	4646	363	72000	1232.5	222	215	-4.9%	
-28.0%	18	39	264	72500	1517.5	0	0	0.0%	
-1.5%	946	1474	213.5	73000	2045	21	60	11.1%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	0	0	228.1	6350	51.5	10280	173	22.7%	
52.8%	1236	27188	221.9	6400	65.6	80120	2134	23.0%	
54.5%	68	1899	188.2	6450	80.7	25758	1499	0.1%	
9.0%	6148	136537	160.5	6500	101.2	161904	6084	-6.0%	
68.5%	2190	55014	131.4	6550	123.9	69657	2839	4.3%	
13.8%	16577	245356	109.5	6600	150.7	209080	8115	14.4%	
1.4%	4608	42304	85.4	6650	179.2	20076	988	-1.7%	
-11.2%	13467	106614	70.4	6700	214.5	87284	3975	-21.1%	
-0.3%	2870	22772	56.8	6750	249.8	2814	1029	-3.0%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-27.7%	102	380	25.95	155	1.15	3714	5202	1.3%	
-22.9%	931	2638	17.75	165	2.4	11302	6820	8.4%	
-6.5%	3890	17815	11.25	175	4.75	24055	3558	64.5%	
-3.0%	4946	61258	8.75	180	6.6	52066	6468	191.7%	
65.9%	1765	43694	6.7	185	255	23486	1458	705.5%	
46.2%	4621	52720	5	190	11.4	20478	1481	137.7%	
91.9%	975	18639	3.65	195	14.35	2534	100	156.4%	
31.2%	669	9099	1.95	205	20.5	0	0	0.0%	
0.0%	138	911	0.4	215	29.35	0	0	0.0%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	May	5,590	5,525	5,557	5,612	5,644	5,699	Bearish	Moderate	5541 - 5628
Cocudakl	NCDEX	May	2,622	2,569	2,596	2,610	2,637	2,651	Bearish	Moderate	2603 - 2644
Cotton	NCDEX	May	57,480	57,080	57,280	57,460	57,660	57,840	Bearish	Moderate	57180 - 57560
Dhaniya	NCDEX	May	7,326	7,217	7,271	7,331	7,385	7,445	Bearish	Moderate	7244 - 7358
Jeera	NCDEX	May	25,060	23,317	24,188	24,692	25,563	26,067	Bearish	Moderate	24440 - 25815
Guar Seed	NCDEX	May	5,410	5,344	5,377	5,401	5,434	5,458	Bearish	Moderate	5361 - 5418
Guar Gum	NCDEX	May	10,723	10,528	10,626	10,723	10,821	10,918	Bearish	Moderate	10577 - 10772
Mentha Oil	MCX	May	931	925	928	932	935	939	Bullish	Moderate	927 - 934
Turmeric	NCDEX	June	18,400	17,877	18,139	18,393	18,655	18,909	Bearish	Moderate	18008 - 18524

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	71369	70575	70972	71246	71643	71917	Flat	Moderate	71109 - 71780
Gold Comex	Comex	May	2322	2309	2315	2320	2327	2332	Flat	Moderate	2312 - 2324
Silver	MCX	July	82955	81122	82039	82519	83436	83916	Bullish	High	82279 - 83676
Silver Comex	Comex	June	27.49	26.33	26.91	27.26	27.84	28.19	Flat	Moderate	27 - 28
Crude	MCX	May	6542	6465	6504	6558	6597	6651	Bearish	Moderate	6485 - 6578
Crude Nymex	Nymex	June	78.14	77.01	77.57	78.13	78.69	79.25	Bearish	Moderate	78 - 79
Nat Gas	MCX	May	186	174	180	185	191	195	Bullish	High	182 - 193
BullDex	MCX	May	18086	17865	17976	18039	18150	18213	Flat	Low	18008 - 18182
Copper	MCX	May	866.70	854	860	865	871	875	Bullish	Moderate	863 - 873
Zinc	MCX	May	259.10	254	257	258	261	262	Bullish	High	258 - 262
Lead	MCX	May	192	191	192	192	193	194	Bullish	High	192 - 193
Aluminum	MCX	May	234.55	224	229	233	238	242	Bearish	Moderate	227 - 236

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