



Wednesday, May 08, 2024

Overview

- Oil futures rose following Saudi Arabia's decision to raise June crude prices
- Asia stocks drift, dollar firm as Fed rate path pondered
- Natural Gas prices maintain uptrend in fourth straight day
- Focus this week will be on comments from several Fed officials

Precious Metals

Gold and Silver steadied in the early morning trade, after a positive start of this week, amidst talks regarding cease fire in Middle East and ambiguity regarding rate cuts by the Fed. Israel launched a series of strikes against Rafah in Southern Gaza, a move that complicated ongoing ceasefire negotiations with Hamas. Israel's strike on Rafah pointed to an escalation in the ongoing war with Hamas, and presented little scope for de-escalation in the Middle East. The move drove up some safe haven demand for gold. However, continuous efforts and updates regarding ceasefire has grabbed markets attention. Gold was also supported by increased speculation over U.S. interest rate cuts following weaker-than-expected nonfarm payrolls data reported in the previous week which weighed on the Dollar. But, the greenback found its footing, as it gained some ground in the yesterday's session. Fed official Kashkari in his comments yesterday mentioned that interest rates will stay higher for an extended period of time and can't rule out a rate hike. No major economic data points are scheduled today, however comments from several fed officials will be in focus. Gold on domestic front is expected to trade in the range of ₹70,850 and 71,750.

Precious metals	Close (\$)	%Chg.
Gold	2316.9	0.1%
Silver	27.34	0.4%
CFTC data	Speculative Longs	Change WoW
Gold	167139	-9018
Silver	33760	-6195
ETF	Close	%Chg.
GOLD ETF	1936.1	2.07
Silver ETF	24615	3.41
Others	Close	%Chg.
DXY	105.41	0.1%
US 10Y Yields	4.48	-0.6%

Base Metals

Prices of most base metals slipped as a firmer U.S. dollar made the greenback-priced commodity more expensive for buyers, while investors assessed supply outlook for metals. The dollar was back on the front foot, making modest gains after earlier losses amidst ambiguity regarding Federal Reserve rate cuts this year. Supply outlook for metals was also on investors' radar, as raw material shortages of copper have been a key driver behind the recent rally. The difficulty in growing supply has come back into focus following BHP's takeover proposal for Anglo American. Supply tightness is being met by stronger than expected demand, particularly in China, as strong growth has emerged in sectors such as renewable energy and power grid. China Services PMI was reported better than expectations at the start of this week, focus now shifts to import and export numbers. There is some noise regarding further intervention from PBoC to support the economy, any related move could support prices on lower end.

Energy

Oil prices traded flat amidst signs of easing supply concerns and a U.S. decision to resume buying oil from its emergency reserves. Some support was lent by the decision of U.S. government to buy more than 3 million barrels of oil for the SPR, with new deliveries to begin in October. Israel rejected ceasefire proposals but prices remained pressured as the EIA raised its forecasts for this year's world oil and liquid fuels output and lowered its demand expectations, pointing to a well-supplied market as opposed to prior forecasts that showed under-supply. API data showed inventories rose by about 509,000 barrels for the week ended May. 3, compared with a build of 4.9M barrels reported by the API for the previous week, lending to further price pressure. Natural gas driven by a decrease in production and an increase in feed-gas to LNG export facilities. Prices gained support by EIA projections which mentioned domestic gas consumption would rise from a record 89.10 bcf in 2023 to 89.31 bcf in 2024 and 89.64 bcf in 2025. Today, crude inventories would be in focus.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	865	1.3%
Aluminium	2340	0.5%
Nickel	1616	1.1%
Lead	194	1.0%
Zinc	262	0.5%

Inventory		Current	W/W Chg.	Units
Copper	LME	107350	-3950	MT
	Shanghai	287498	-12547	MT
Aluminum	LME	486050	-1700	MT
	Shanghai	223859	-4678	MT
Nickel	LME	79896	-24	MT
	Shanghai	19830	215	MT
Lead	LME	258800	-7200	MT
	Shanghai	48321	-3425	MT
Zinc	LME	253725	-250	MT
	Shanghai	127792	-3955	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	78.02	-0.3%
Natural gas	2.22	0.5%

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		
-3.3%	29	4	2395	69000	151.5	558	527	-3.7%	
0.0%	0	0	2000	69500	192.5	0	4	0.0%	
0.5%	203	92	1606.5	70000	326.5	1485	1083	1.7%	
0.0%	14	0	1268.5	70500	468	87	42	0.0%	
8.7%	776	1798	980.5	71000	700.5	2180	685	-11.6%	
34.0%	209	587	759.5	71500	982	3	8	33.3%	
20.8%	1634	3116	552	72000	1299	179	211	-1.9%	
11.1%	20	13	386	72500	1620.5	0	0	0.0%	
9.1%	1032	852	314.5	73000	2119	13	59	-1.7%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	0	0	214.1	6350	34.3	18574	405	134.1%	
86.4%	2304	51447	211.3	6400	42.9	84727	2767	29.7%	
89.7%	129	6981	175.8	6450	54.5	37666	1596	6.5%	
-8.6%	5617	179701	146.1	6500	72.5	204016	7826	28.6%	
-30.9%	1514	73515	118.9	6550	91.2	79816	2733	-3.7%	
-19.4%	13368	228161	96.7	6600	115.1	190135	7815	-3.7%	
-1.7%	4530	42661	76.1	6650	140.6	18149	961	-2.7%	
-6.0%	12657	92905	61.9	6700	174.3	58506	4137	4.1%	
-7.9%	2644	23067	49.4	6750	206.6	1284	1018	-1.1%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-3.9%	98	212	33.25	155	1.05	3380	5160	-0.8%	
-10.8%	830	3208	23.75	165	2.4	10218	6153	-9.8%	
-10.3%	3488	15452	16.1	175	4.95	25745	4156	16.8%	
14.8%	5678	62771	12.9	180	6.9	61563	6234	-3.6%	
78.8%	3155	56413	10.15	185	255	30934	1558	6.9%	
25.2%	5784	56986	7.85	190	12.15	25398	1250	-15.6%	
29.1%	1259	16365	5.9	195	15.5	4330	124	24.0%	
35.7%	908	8768	3.2	205	22	0	0	0.0%	
209.4%	427	2317	1.7	215	31.15	0	0	0.0%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	May	5,536	5,487	5,511	5,556	5,580	5,625	Bearish	#DIV/0!	5499 - 5568
Cocudakl	NCDEX	May	2,605	2,573	2,589	2,610	2,626	2,647	Bearish	Moderate	2581 - 2618
Cotton	NCDEX	May	57,520	57,227	57,373	57,487	57,633	57,747	Bearish	Moderate	57430 - 57690
Dhaniya	NCDEX	May	7,320	7,181	7,251	7,303	7,373	7,425	Bearish	#DIV/0!	7277 - 7399
Jeera	NCDEX	May	26,540	24,793	25,667	26,113	26,987	27,433	Bearish	Moderate	25890 - 27210
Guar Seed	NCDEX	May	5,431	5,362	5,397	5,428	5,463	5,494	Bearish	Moderate	5413 - 5479
Guar Gum	NCDEX	May	10,744	10,624	10,684	10,747	10,807	10,870	Bearish	Moderate	10654 - 10777
Mentha Oil	MCX	May	929	927	928	930	931	933	Bearish	Moderate	929 - 932
Turmeric	NCDEX	June	18,472	18,048	18,260	18,412	18,624	18,776	Bearish	Moderate	18336 - 18700

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	71148	70687	70917	71158	71388	71629	Flat	Moderate	70802 - 71273
Gold Comex	Comex	May	2315	2321	2318	2321	2318	2321	Flat	Moderate	2320 - 2320
Silver	MCX	July	82878	82089	82484	82908	83303	83727	Bullish	Moderate	82696 - 83515
Silver Comex	Comex	June	27.42	27.10	27.26	27.44	27.60	27.79	Flat	Moderate	27 - 28
Crude	MCX	May	6585	6438	6512	6561	6635	6684	Flat	Moderate	6537 - 6660
Crude Nymex	Nymex	June	78.06	76.54	77.30	78.05	78.81	79.56	Flat	Moderate	77 - 78
Nat Gas	MCX	May	184	176	180	183	187	190	Bullish	Moderate	182 - 189
BullDex	MCX	May	18062	17987	18025	18072	18110	18157	Flat	Low	18006 - 18091
Copper	MCX	May	865.00	855	860	864	869	873	Bullish	Low	858 - 867
Zinc	MCX	May	262.10	256	259	261	264	267	Bullish	Moderate	260 - 266
Lead	MCX	May	194	192	193	194	195	196	Bullish	High	193 - 195
Aluminum	MCX	May	234.35	232	233	235	236	237	Flat	Moderate	232 - 235

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