



Monday, May 13, 2024

Overview

- China CPI rose for 3rd month at 0.3%
- Oil extends fall on demand concerns
- Gold gained by expectations of rate cut following weak US employment figures
- This week, inflation figures from the US will be widely eyed on.

Precious Metals

Signs of profit booking is being witnessed in both Gold and silver prices, in the early market trade after posting gains last week, on the back of lower than expected jobs number and rise in geo-political tensions. Bullion prices broke a two-week losing spree, as some safe haven demand remained in play amid bets that Israel and Hamas will not reach a ceasefire deal and reports of fresh U.S. trade tariffs on China also sparked some safe haven demand. Important trigger for the market in the previous week was bigger-than-expected increase in weekly U.S. jobless claims. This reading came just after a substantially softer-than-expected nonfarm payrolls reading for April, and reinforced expectations that a cooling labor market will push the Fed into cutting interest rates early. Post the jobs data, US Yields fell sharply while, Dollar index traded firm near the 105.50 mark. Fed officials continue to increase inflation concerns and reiterated higher for longer stance in their comments last week. Bets for rate cut in the month of September increased slightly towards the 50%. Focus this week will be on comments from several fed officials and Governor Powell, CPI from US and India. Gold on domestic front is expected to trade in the range of ₹71,900 and 72,550.

Precious metals	Close (\$)	%Chg.
Gold	2358.3	-0.1%
Silver	28.12	-0.1%
CFTC data	Speculative Longs	Change WoW
Gold	163132	-4007
Silver	34914	1154
ETF	Close	%Chg.
GOLD ETF	1948.5	13.63
Silver ETF	24527	0.00
Others	Close	%Chg.
DXY	105.30	0.1%
US 10Y Yields	4.49	1.2%

Base Metals

Base metal prices inched lower in the early morning session after lackluster economic data from China, the world's top metal consumer, over the weekend dampened investor sentiment. New bank lending in China fell more than expected in April from the previous month while broad credit growth hit a record low, the central bank revealed over the weekend, raising prospect of more action to support the economy. Traders also saw producer prices in April extend declines in China, although its consumer prices rose for a third straight month. Amidst the fed official's comments and weak labour market, ambiguity regarding interest rate cut by the Fed is increasing, keeping market participants on the edge. Metals remain underpinned by a growing supply deficit that could worsen if prices don't rise enough to incentivize new mines. Supply growth is also being hampered by regulatory and geopolitical issues, which are pushing out project timelines. Aluminium was weighed last week on back of sharp jump in LME inventories. Total aluminium stocks in London Metal Exchange-registered warehouses rose by 88% to 903,850 tons on Thursday, their highest level since January 2022.

Energy

Oil prices ended the week lower as signs of weak gasoline demand and comments from US Fed officials dimmed optimism for interest rate cuts, which may slow growth and reduce fuel demand in the world's largest economy. Weakness was also felt as US gasoline and distillate stockpiles increased in the week leading up to the start of the US driving season. Refiners are facing issues with declining diesel profitability as new refineries increase supplies while warm weather in the northern hemisphere and weak economic activity reduce demand. Chinese inflation data was released over the weekend which showed a mixed picture as sustained recovery in consumer price index inflation was seen but chinese producer price index inflation shrank for a 19th consecutive month, signaling that factory and business activity in the world's biggest crude importer remained weak. This week, inflation and PPI data from the US will be important to watch.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	870	0.6%
Aluminium	2310	0.8%
Nickel	1598	0.1%
Lead	194	0.1%
Zinc	261	0.2%

Inventory		Current	W/W Chg.	Units
Copper	LME	103450	-925	MT
	Shanghai	290376	2878	MT
Aluminum	LME	903850	424000	MT
	Shanghai	211698	-12161	MT
Nickel	LME	80286	282	MT
	Shanghai	19825	-17	MT
Lead	LME	234575	-6300	MT
	Shanghai	62211	13890	MT
Zinc	LME	251950	-175	MT
	Shanghai	131178	3386	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	78.02	-0.4%
Natural gas	2.25	-2.2%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	459.53	-1.36	Mnbl
Gasoline	228.00	0.92	Mnbl
Distillate	116.41	0.56	Mnbl
Natural Gas	3.13	-0.21	bcf

CFTC data	Speculative Longs	Change WoW
Crude oil	117651	-55038
Natural Gas	-57266	46502

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		
-10.0%	9	7	964	70500	181	52	42	27.3%	
-22.1%	433	907	1031	71000	219.5	3320	1441	36.3%	
-57.9%	77	314	756	71500	309.5	155	45	181.3%	
-56.5%	533	4002	551.5	72000	488.5	4978	1104	373.8%	
185.7%	80	541	409	72500	737	11	7	0.0%	
3.0%	1137	7321	274	73000	1010.5	1047	207	256.9%	
100.0%	4	8	120.5	73500	1736.5	1	1	0.0%	
135.1%	677	3990	125	74000	1867.5	23	14	366.7%	
0.0%	0	0	35.5	74500	2050.5	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
151.9%	330	1569	315.9	6300	13.4	19023	2727	-12.8%	
-100.0%	0	0	292.1	6350	18.5	6910	444	-28.3%	
44.6%	2280	19358	226.7	6400	24.6	47374	4236	1.0%	
162.5%	357	5083	190	6450	36.7	23859	1659	-13.4%	
50.4%	6552	97602	153.1	6500	54.2	123543	7466	-15.4%	
64.4%	2519	42244	120.2	6550	74.5	61128	2684	-5.4%	
32.6%	15802	216266	91.9	6600	103.8	230861	9893	-6.7%	
41.5%	6768	102343	67.7	6650	133.6	94329	1541	29.2%	
37.0%	18380	199073	50.5	6700	172.5	177227	6813	14.4%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-4.7%	1013	97	41.1	150	0.4	5413	7051	-11.4%	
-14.3%	757	316	31.65	160	0.75	6223	11069	-2.3%	
-3.4%	2552	1189	22.85	170	1.75	13151	10238	-10.5%	
-4.2%	3178	1988	18.6	175	2.7	9614	3860	-28.6%	
-10.0%	4564	16653	15	180	255	32189	8505	-13.1%	
-19.9%	2151	14307	11.75	185	5.8	22047	2648	-19.2%	
0.7%	5804	54138	8.9	190	8.1	57460	4211	-0.1%	
28.7%	6932	47229	4.65	200	14.25	19715	1681	6.7%	
30.6%	3487	22349	2.3	210	22.3	1438	195	2.6%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	May	5,634	5,594	5,614	5,646	5,666	5,698	Bearish	Moderate	5604 - 5656
Cocudakl	NCDEX	May	2,618	2,599	2,609	2,622	2,632	2,645	Bearish	Moderate	2616 - 2639
Cotton	NCDEX	May	57,360	56,747	57,053	57,327	57,633	57,907	Bearish	Moderate	56900 - 57480
Dhaniya	NCDEX	May	7,286	7,194	7,240	7,310	7,356	7,426	Bearish	Moderate	7217 - 7333
Jeera	NCDEX	May	27,050	24,793	25,922	26,658	27,787	28,523	Bearish	Moderate	26290 - 28155
Guar Seed	NCDEX	May	5,435	5,408	5,421	5,439	5,452	5,470	Bearish	Moderate	5415 - 5446
Guar Gum	NCDEX	May	10,709	10,646	10,678	10,721	10,753	10,796	Bearish	Moderate	10700 - 10775
Mentha Oil	MCX	May	962	923	942	954	974	986	Bullish	Moderate	948 - 980
Turmeric	NCDEX	June	18,698	17,651	18,175	18,523	19,047	19,395	Bullish	Moderate	17913 - 18785

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	71639	70577	71108	71408	71939	72239	Bullish	Moderate	71258 - 72089
Gold Comex	Comex	May	2332	2299	2315	2327	2344	2356	Flat	Moderate	2321 - 2350
Silver	MCX	July	84910	83605	84257	85035	85687	86465	Bullish	Moderate	84646 - 86076
Silver Comex	Comex	June	28.37	27.74	28.06	28.46	28.78	29.18	Bullish	Moderate	28 - 29
Crude	MCX	May	6551	6452	6502	6595	6645	6738	Bearish	Moderate	6477 - 6620
Crude Nymex	Nymex	June	77.84	76.61	77.22	78.35	78.96	80.09	Bearish	Moderate	77 - 79
Nat Gas	MCX	May	189	185	187	191	194	198	Bullish	Moderate	186 - 192
BullDex	MCX	May	18448	18244	18346	18433	18535	18622	Bullish	High	18390 - 18579
Copper	MCX	May	869.75	853	862	870	878	887	Bullish	High	866 - 883
Zinc	MCX	May	261.30	257	259	261	263	265	Bullish	High	260 - 264
Lead	MCX	May	194	193	194	194	195	195	Bullish	High	194 - 195
Aluminum	MCX	May	230.85	227	229	233	235	238	Bearish	Moderate	228 - 234

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