



Tuesday, May 14, 2024

Overview

- Gold consolidates ahead of key US inflation data
- Oil prices rose by concerns over potential supply disruptions in Canada and geopolitical uncertainty
- Today OPEC report and US PPI will be in focus

Precious Metals

Gold prices inched lower in the yesterday's session consolidating some recent gains as market participants remain cautious ahead of the US CPI and Governor Powell's speech later this week. Dollar index remained firm, hovering around the 105.50 mark while US 10 Y yield also steadied around 4.4% after falling from recent peak of 4.7%. Bullions posted gains in the last week amidst ease off in labour market data, sparking speculation once again regarding interest rate cut in the month of September. There is an ambiguity in the market regarding geo-political tensions as well, as there are no updates regarding ceasefire or an ease off in the Middle East. Israel continues to strike the Rafah border, only crossing point between Egypt and the Gaza Strip. Fed officials increased the inflation concerns in the previous week and maintained a higher for longer stance. This week along with Fed officials, Governor Powell is also expected to speak which could provide some clarity on Fed's monetary policy path ahead. US CPI, PPI and Retail sales will also an important to keep an eye on this week. Gold on domestic front is expected to trade in the range of ₹71,750 and 72,400.

Precious metals	Close (\$)	%Chg.
Gold	2336.0	-1.0%
Silver	28.19	0.2%
CFTC data	Speculative Longs	Change WoW
Gold	163132	-4007
Silver	34914	1154
ETF	Close	%Chg.
GOLD ETF	1933.7	-14.83
Silver ETF	24527	0.00
Others	Close	%Chg.
DXY	105.30	-0.1%
US 10Y Yields	4.48	1.2%

Base Metals

Base metal prices picked up pace once again, with copper breaching the \$10,000 mark on LME and inching towards two year highs as expectations of strong demand growth, prospect of further stimulus in China and hopes for cuts to US interest rates encouraged investors to pile into the market. Since the previous week, there have been chatter regarding the RRR cut or some intervention by PBoC, supporting the sentiment on lower end. The contraction in credit issued in China last month prompted the government to ramp up spending. In recent announcement, China's Finance Ministry mentioned that they will start selling the first batch of CNY1tn of special bonds, which will be used on infrastructure investment, further updates and confirmation regarding the same will be important to keep an eye on. Copper stocks in CME warehouses in the United States have dropped 30% to 21,530 tons since late March, suggesting end-user need for the industrial metal. On other hand, 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.

Energy

Crude oil prices inched higher as top importer China signaled clear plans for fiscal stimulus, while wildfires in Canada grew dangerously near to energy hubs in the country. Chinese inflation data which rose at 0.3%, indicated a steady rise in consumer price index inflation, raising hopes that demand and economic development will continue to recover following significant monetary support from Beijing. Sentiment was also boosted after China's finance ministry announced it may raise 1 trillion yuan through a long-awaited bond offering this week to support sluggish economy, and will include the sale of special government bonds with tenors ranging from 20 to 50 years. Major wildfires raged throughout Western Canada, threatening to disrupt Canadian oil and gas supply, particularly as they approached a critical oil center. Natural gas prices climbed, supported by lower output and increased feedgas to LNG export operations. Gas flows to major LNG export plants climbed from April to May, with the resumption of the Freeport plant in Texas helping to drive the increase. Today OPEC report, PPI from the US and a speech from Gov Powell will be in focus.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	884	1.1%
Aluminium	2330	-1.5%
Nickel	1613	0.9%
Lead	195	0.4%
Zinc	265	1.0%

Inventory		Current	W/W Chg.	Units
Copper	LME	103100	-350	MT
	Shanghai	290376	2878	MT
Aluminum	LME	902550	-1300	MT
	Shanghai	211698	-12161	MT
Nickel	LME	80466	180	MT
	Shanghai	19825	-17	MT
Lead	LME	230075	-4500	MT
	Shanghai	62211	13890	MT
Zinc	LME	251400	-550	MT
	Shanghai	131178	3386	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	79.15	1.1%
Natural gas	2.38	-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		
-2.1%	143	30	2598	70000	128.5	1023	1240	-13.2%	
-11.1%	8	3	1945.5	70500	212.5	61	30	-28.6%	
3.2%	447	493	1770	71000	320.5	3396	1329	-7.8%	
6.5%	82	73	1343	71500	506.5	165	53	17.8%	
113.3%	1137	5251	1047	72000	750	4044	612	-44.6%	
71.3%	137	359	800	72500	989	23	10	42.9%	
15.7%	1316	2699	585	73000	1432	289	156	-24.6%	
0.0%	4	2	456	73500	1831.5	0	1	0.0%	
-9.7%	611	1222	285.5	74000	1986	12	5	-64.3%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-100.0%	0	0	217.9	6400	12.4	72565	5216	23.1%	
-56.3%	156	13692	139.8	6450	20.2	40641	2130	28.4%	
-29.8%	4600	169200	106.9	6500	31.6	223293	9869	32.2%	
-6.1%	2365	98579	79	6550	47.9	114219	3233	20.5%	
-22.0%	12326	307761	57.3	6600	69.5	281811	10268	3.8%	
-25.9%	5014	101399	39.7	6650	95.7	50867	1582	2.7%	
-28.1%	13212	169693	29.6	6700	130.1	108877	6654	-2.3%	
-0.8%	3391	33931	21.3	6750	169.9	7563	1768	-0.9%	
-8.7%	10499	51027	16.2	6800	216.3	23652	3316	-11.9%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-6.5%	601	198	25.35	165	0.65	8008	6073	-1.1%	
-1.2%	3140	3054	16.85	175	1.25	13353	5272	36.6%	
-22.9%	1659	30131	10.1	185	3.15	36613	4202	58.7%	
6.1%	6159	87620	7.5	190	4.7	78734	9055	115.0%	
1.5%	3205	44134	5.5	195	255	29438	2912	220.7%	
-6.4%	6491	66540	3.8	200	9.3	22587	2644	57.3%	
-29.1%	1277	18882	2.65	205	12.45	2472	184	240.7%	
24.6%	885	5766	1.3	215	19.95	1	1	0.0%	
28.1%	570	2769	0.65	225	28.65	0	0	0.0%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,728	5,609	5,669	5,702	5,762	5,795	Bearish	Moderate	5686 - 5779
Cocudakl	NCDEX	Jun	2,643	2,604	2,624	2,649	2,669	2,694	Bearish	Moderate	2637 - 2682
Cotton	NCDEX	May	57,140	56,847	56,993	57,147	57,293	57,447	Bearish	Moderate	57070 - 57370
Dhaniya	NCDEX	Jun	7,240	7,152	7,196	7,274	7,318	7,396	Bearish	Moderate	7174 - 7296
Jeera	NCDEX	May	28,200	26,920	27,560	28,105	28,745	29,290	Bearish	Moderate	27833 - 29018
Guar Seed	NCDEX	Jun	5,488	5,397	5,443	5,476	5,522	5,555	Bearish	Moderate	5460 - 5539
Guar Gum	NCDEX	Jun	10,758	10,662	10,710	10,778	10,826	10,894	Bearish	Moderate	10744 - 10860
Mentha Oil	MCX	May	956	931	943	958	971	986	Bullish	Moderate	937 - 965
Turmeric	NCDEX	Jun	18,260	17,863	18,061	18,379	18,577	18,895	Bearish	Moderate	17962 - 18478

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	28.31	27.90	28.10	28.30	28.50	28.70	Bullish	Moderate	28 - 29
Crude	MCX	May	6594	6459	6527	6583	6651	6707	Flat	Moderate	6555 - 6679
Crude Nymex	Nymex	June	78.60	76.67	77.64	78.31	79.28	79.95	Flat	Moderate	78 - 80
Nat Gas	MCX	May	197	182	189	193	200	204	Bullish	Moderate	191 - 202
BullDex	MCX	May	18307	18210	18259	18323	18372	18436	Bullish	Moderate	18235 - 18348
Copper	MCX	May	883.50	864	874	879	889	894	Bullish	Moderate	876 - 892
Zinc	MCX	May	265.20	258	262	264	268	270	Bullish	Moderate	263 - 269
Lead	MCX	May	195	193	194	195	196	196	Bullish	Moderate	194 - 196
Aluminum	MCX	May	232.70	230	231	232	234	235	Bearish	Moderate	232 - 235

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