



Wednesday, May 15, 2024

Overview

- US Producer Prices rise more than expected
- Gold prices steady ahead of US inflation report
- Oil prices settle lower amidst unchanged demand forecasts
- Today US CPI will be widely focused on.

Precious Metals

Gold prices rose in the yesterday's session, recovering marginally from steep losses witnessed last week on the back of continuous updates regarding, geo-political tensions, interest rate cut expectations and Fed official comments. U.S. producer prices increased more than expected in April amid strong gains in the costs of services and goods, leading traders to pare back bets of a first rate cut in September. Both US PPI and Core PPI were reported better than expectations at 0.5%. Market participants are cautiously waiting for US CPI data which is scheduled later today. Meanwhile, Fed Chair Jerome Powell in his speech yesterday said that he expects U.S. inflation to continue declining through 2024 as it did last year and noted it was unlikely the Fed would have to raise interest rates again, supporting the overall sentiment for bullions. Better than expected producer's inflation is a headwind for gold, the safe haven asset benefited from increased demand amid heightened geopolitical tensions in the Middle East, hence any updates regarding the same could increase the volatility in the market. Along with US CPI, focus today will also be on the EU GDP, US Retail sales and NY state manufacturing index. Gold on domestic front is expected to trade in the range of ₹71,800 and 72,750.

Precious metals	Close (\$)	%Chg.
Gold	2357.9	0.0%
Silver	28.50	-0.3%
CFTC data	Speculative Longs	Change WoW
Gold	163132	-4007
Silver	34914	1154
ETF	Close	%Chg.
GOLD ETF	1939.0	5.32
Silver ETF	24496	-31.60
Others	Close	%Chg.
DXY	105.01	0.0%
US 10Y Yields	4.44	-0.8%

Base Metals

Commodities Daily

Copper led the base metals sector higher as ongoing supply side issues continue to hover over the market. The market was provided another insight in the struggles in the mining industry, with Chile reporting its output fell 0.7% y/y in March. This follows the closure of mines late last year which is tightening up the availability of copper concentrate. US PPI was reported better than expectations however, Governor Powell in this comments mentioned that inflation could decline in this year and the Fed is not looking for a rate hike. This weighed on Dollar which fell near a one-month low versus the euro. The prospect of trade disruptions was also heightened after the Biden Administration announced new tariffs on Chinese imports, including EVs, critical minerals, steel and aluminium. The tripling of tariffs on aluminium comes as inventories on the LME surge as the market adjusts to the ban on Russian metal being traded on the exchange. In recent announcement, China's Fin 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.

Energy

Oil prices settled lower in yesterday's session after US reported hotter than expected PPI data and unchanged forecasts from producer group OPEC. U.S. producer prices rose at a faster-than-expected rate of 0.5% on a monthly basis, owing primarily to higher costs for services and goods, indicating that inflationary pressures persisted early in Q2. Prices had gained support from positive tone around China's finance ministry looking to raise 1 trillion yuan to pump up China's sluggish economy. Worries about supply disruptions due to Canada's wildfires and had been slightly offset by no operational disruptions as firefighters raced to contain one blaze in British Columbia and two in Alberta. In its monthly report, OPEC maintained its forecast for world oil demand to rise by 225 million barrels per day in 2024 and 1.85M bpd in 2025, though signal firmer demand may in the offing as the group said it expected stronger global economic growth this year. The unchanged forecast comes weeks ahead of the next meeting between OPEC and OPEC+. U.S. crude stocks declined by approximately 3.1 million barrels in the week ending May 10, The API report also revealed that gasoline stockpiles declined by 1.3 million barrels, while distillate inventories grew by 349,000. Today, crude oil inventories and US CPI will be in focus.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	884	1.6%
Aluminium	2340	0.8%
Nickel	1611	-0.1%
Lead	195	0.1%
Zinc	264	1.5%

Inventory		Current	W/W Chg.	Units
Copper	LME	104750	1650	MT
	Shanghai	290376	2878	MT
Aluminum	LME	1033625	131075	MT
	Shanghai	211698	-12161	MT
Nickel	LME	80814	348	MT
	Shanghai	19825	-17	MT
Lead	LME	226925	-3150	MT
	Shanghai	62211	13890	MT
Zinc	LME	250950	-450	MT
	Shanghai	131178	3386	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	78.55	0.1%
Natural gas	2.35	-1.6%

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		
191.6%	624	11344	297.3	6300	6.4	55106	4533	26.2%	
190.9%	32	246	248	6350	12.3	28296	1352	79.8%	
101.9%	3478	89629	203.9	6400	19.4	157844	4576	-12.3%	
689.1%	1231	36707	163.9	6450	31.5	119918	2391	12.3%	
127.6%	10471	305054	123.8	6500	49.5	399292	8074	-18.2%	
144.4%	5780	171203	91.2	6550	74.3	189776	2804	-13.3%	
108.3%	25681	493304	63.1	6600	107.3	409169	9259	-9.8%	
97.9%	9924	176958	41.2	6650	146.6	80452	1328	-16.1%	
30.9%	17294	190977	26.5	6700	191.7	113287	5637	-15.3%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-8.8%	548	148	32.15	165	0.55	4110	5719	-5.8%	
-3.0%	3045	1092	22.65	175	1.05	7321	5212	-1.1%	
-28.4%	1188	10227	14.7	185	2.65	17601	3918	-6.8%	
1.5%	6254	57165	11.15	190	4	74654	9495	4.9%	
-24.1%	2433	62019	8.25	195	255	61300	3984	36.8%	
18.4%	7688	109927	5.8	200	8.45	61978	3883	46.9%	
34.7%	1720	27489	4	205	11.6	10751	290	57.6%	
31.1%	1160	8629	1.75	215	19.05	5	3	200.0%	
53.2%	873	4979	0.75	225	27.5	0	0	0.0%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,731	5,678	5,705	5,751	5,778	5,824	Bearish	Moderate	5728 - 5801
Cocudakl	NCDEX	Jun	2,614	2,584	2,599	2,625	2,640	2,666	Bearish	Moderate	2592 - 2633
Cotton	NCDEX	May	56,600	55,800	56,200	56,600	57,000	57,400	Bearish	Moderate	56000 - 56800
Dhaniya	NCDEX	Jun	7,396	7,139	7,267	7,353	7,481	7,567	Bearish	#DIV/0!	7310 - 7524
Jeera	NCDEX	May	28,605	27,852	28,228	28,777	29,153	29,702	Bearish	Moderate	28040 - 28965
Guar Seed	NCDEX	Jun	5,468	5,430	5,449	5,479	5,498	5,528	Bearish	Moderate	5440 - 5489
Guar Gum	NCDEX	Jun	10,747	10,668	10,707	10,774	10,813	10,880	Bearish	Moderate	10688 - 10794
Mentha Oil	MCX	May	958	946	952	956	962	967	Bullish	High	954 - 965
Turmeric	NCDEX	Jun	17,914	17,399	17,657	18,011	18,269	18,623	Bearish	Moderate	17528 - 18140

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	72297	71651	71974	72155	72478	72659	Bullish	Moderate	72065 - 72569
Gold Comex	Comex	May	2353	2327	2340	2349	2362	2371	Bullish	High	2345 - 2367
Silver	MCX	July	85417	84367	84892	85321	85846	86275	Bullish	Moderate	85107 - 86061
Silver Comex	Comex	June	28.56	27.96	28.26	28.53	28.83	29.10	Bullish	High	28 - 29
Crude	MCX	May	6512	6421	6467	6546	6592	6671	Bearish	Moderate	6444 - 6569
Crude Nymex	Nymex	June	77.65	76.32	76.99	77.92	78.59	79.52	Bearish	Moderate	77 - 78
Nat Gas	MCX	May	198	190	194	197	201	204	Bullish	Moderate	195 - 203
BullDex	MCX	May	18392	18255	18324	18368	18437	18481	Bullish	Low	18346 - 18459
Copper	MCX	May	884.20	865	874	883	892	901	Bullish	Moderate	870 - 888
Zinc	MCX	May	264.00	261	263	264	266	267	Bullish	Moderate	262 - 265
Lead	MCX	May	195	194	194	195	196	196	Bullish	Moderate	195 - 196
Aluminum	MCX	May	233.95	231	232	233	235	236	Flat	Moderate	233 - 235

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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