



Thursday, May 16, 2024

Overview

- US inflation came in line with expectations at 3.4%
- Oil prices settle higher as inventories fall
- Gold inches higher on boosted rate cut expectations
- Today, natural gas inventories will be eyed on.

Precious Metals

Gold climbed to near one-month high, aided by a weaker dollar and lower Treasury yields after data showed U.S. consumer prices rose less than expected in April, boosting chances of the Fed lowering interest rates. US CPI rose 0.3% last month after advancing 0.4% in March and February, suggesting that inflation resumed its downward trend at the start of the second quarter in a boost to financial market expectations for a September interest rate cut. The headline and Core CPI on annual basis were also reported lower by 0.1% and 0.3%, respectively, than the previous month. The dollar fell 0.6% against major currencies, hovering below 105 mark, lowest in over a month. Similarly, Benchmark 10-year Treasury yields hit s more than one-month low. Along with inflation, US retail sales and NY state manufacturing index were reported lower than expectations, further adding gains for safe haven assets. With expectations rising for a rate cut in the month of September after yesterday's data, updates regarding geopolitical tensions, attack on Slovakia PM (a NATO country) also increased safe haven appeal for Gold and silver. Focus today will be on US industrial production, weekly jobless claims, Philly fed manufacturing index and a few housing numbers, triggering volatility in market. Gold on domestic front is expected to trade in the range of ₹72,500 and 73,500.

Precious metals	Close (\$)	%Chg.
Gold	2387.9	0.1%
Silver	29.54	-0.5%
CFTC data	Speculative Longs	Change WoW
Gold	163132	-4007
Silver	34914	1154
ETF	Close	%Chg.
GOLD ETF	1940.2	1.23
Silver ETF	24496	0.00
Others	Close	%Chg.
DXY	104.35	-0.2%
US 10Y Yields	4.33	-2.0%

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Base Metals

Copper surged to a new record high as along with fund buying, fall in Dollar and supply tightness is providing a boost to metal prices. The rally was triggered earlier in year when mine closures tightened the market, this has been exacerbated by rising competition from end users for critical minerals and is likely behind the US move to apply new tariffs on Chinese imports, including electric vehicles, critical minerals, steel and aluminium. However, the latest surge has been supported by rising investor interest. CFTC data show that, at the end of April, non-commercial speculative investors amassed the biggest net long position in the metal since 2021. On other hand, any further updates and confirmation regarding the liquidity measures by PBoC with an objective to support the economy, will be important to keep an eye on.

Energy

Oil prices settled marginally higher after a much larger-than-expected fall in U.S. weekly inventories and a drop in the dollar offset the IEA's lower demand growth prediction for this year. U.S. oil inventories plummeted by 2.5 million barrels last week, a much greater decline than the predicted 400,000-barrel draw. Gasoline inventories unexpectedly declined by 235,000 barrels, compared to predictions of 888,000 barrels, and distillate inventories fell by 45,000 barrels, compared to forecasts of 770,000 barrels. The result raised optimism that U.S. fuel demand was picking up pacion the arrival of the travel-heavy summer season. These readings helped cool off some worries about demand after the IEA lowered its global demand forecast for 2024 by 140,000 barrels per day to 1.1 million bpd pointing towards lower demand. The forecast was linked to weak economic growth, particularly in Europe, where a declining share of diesel cars was already undercutting consumption. IEA also marginally lifted its 2025 oil growth forecast to 1.2 million bpd. Some support was also found as US data showed inflation came in line with expectations at 3.4% down from the previous 3.5% which dented the dollar and boosted rate cut expectations amongst traders. Natural gas prices increased slightly as investors weighed a decrease in output and forecasts of warmer weather for the next two weeks against the significant oversupply of gas still in storage. Today, focus will remain on natural gas inventories which is expected at 76B.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	892	0.1%
Aluminium	2380	0.5%
Nickel	1619	0.5%
Lead	194	-0.3%
Zinc	262	-0.5%

Inventory		Current	W/W Chg.	Units
Copper	LME	104625	-125	MT
	Shanghai	290376	2878	MT
Aluminum	LME	1033450	-175	MT
	Shanghai	211698	-12161	MT
Nickel	LME	80994	180	MT
	Shanghai	19825	-17	MT
Lead	LME	222250	-4675	MT
	Shanghai	62211	13890	MT
Zinc	LME	250875	-75	MT
	Shanghai	131178	3386	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	79.04	0.3%
Natural gas	2.43	3.0%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	457.02	-2.51	Mnbl
Gasoline	227.77	-0.24	Mnbl
Distillate	116.37	-0.05	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

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-7.0%	475	362	1392	71000	117	4123	1951	25.1%
-6.0%	78	88	1023	71500	126	365	114	67.6%
-24.7%	611	3820	759.5	72000	272	6411	1713	111.5%
34.9%	143	1392	539	72500	462	807	127	1170.0%
-4.4%	1150	6899	360	73000	676.5	1679	453	200.0%
25.0%	5	5	230	73500	1125	2	2	0.0%
9.8%	663	2942	153	74000	1310	36	23	360.0%
0.0%	0	0	65	74500	1662	0	0	0.0%
-10.8%	670	1293	75.5	75000	2088.5	0	0	0.0%

MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
131.6%	1445	47506	218.8	6300	2.4	154342	7393	63.1%
903.1%	321	13413	176.4	6350	3.4	99173	2743	102.9%
48.7%	5172	239365	133.3	6400	4.6	389080	9156	100.1%
-70.5%	363	165092	95.6	6450	10.6	260705	3796	58.8%
-18.4%	8546	621077	65.8	6500	20.4	646118	10890	34.9%
-7.9%	5323	329967	41.3	6550	39.7	220570	3627	29.4%
-30.4%	17884	451266	23.8	6600	66.9	265204	7649	-17.4%
-28.3%	7117	104356	14.1	6650	106	33512	1465	10.3%
-18.7%	14054	111748	9.4	6700	152.4	56644	5560	-1.4%

MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-3.8%	527	86	33.2	165	0.45	3480	5109	-10.7%
-11.1%	2708	1316	24	175	0.95	7646	4934	-5.3%
-16.6%	991	12953	15.25	185	2.4	21506	4168	6.4%
-21.2%	4928	54342	11.45	190	3.6	78605	9808	3.3%
-14.8%	2073	59630	8.5	195	255	61480	4746	19.1%
3.1%	7926	123188	6.1	200	7.55	85320	5287	36.2%
67.8%	2887	39085	4.2	205	10.55	16662	525	81.0%
-26.2%	856	8595	1.9	215	17.4	51	7	133.3%
-16.4%	730	5317	0.8	225	26.25	0	0	0.0%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,689	5,617	5,653	5,686	5,722	5,755	Bearish	Moderate	5635 - 5704
Cocudakl	NCDEX	Jun	2,618	2,597	2,607	2,614	2,624	2,631	Bearish	Moderate	2611 - 2628
Cotton	NCDEX	May	55,980	55,420	55,700	56,100	56,380	56,780	Bearish	Moderate	55560 - 56240
Dhaniya	NCDEX	Jun	7,434	7,355	7,395	7,443	7,483	7,531	Bearish	Moderate	7419 - 7507
Jeera	NCDEX	May	28,575	28,325	28,450	28,525	28,650	28,725	Bearish	High	28488 - 28688
Guar Seed	NCDEX	Jun	5,439	5,400	5,419	5,443	5,462	5,486	Bearish	Moderate	5410 - 5453
Guar Gum	NCDEX	Jun	10,747	10,668	10,707	10,774	10,813	10,880	Bearish	Moderate	10688 - 10794
Mentha Oil	MCX	May	953	943	948	954	959	965	Bearish	Moderate	946 - 956
Turmeric	NCDEX	Jun	18,160	17,343	17,751	18,101	18,509	18,859	Bearish	Moderate	17926 - 18684

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	73102	71916	72509	72827	73420	73738	Bullish	Moderate	72668 - 73579
Gold Comex	Comex	May	2389	2349	2369	2376	2396	2404	Bullish	High	2372 - 2400
Silver	MCX	July	85417	84367	84892	85321	85846	86275	Bullish	Moderate	85107 - 86061
Silver Comex	Comex	June	29.59	28.10	28.85	29.34	30.09	30.58	Bullish	Moderate	29 - 30
Crude	MCX	May	6551	6352	6452	6514	6614	6676	Bearish	Moderate	6402 - 6564
Crude Nymex	Nymex	June	78.16	75.58	76.87	77.65	78.94	79.72	Flat	Moderate	77 - 79
Nat Gas	MCX	May	199	190	194	198	203	207	Bullish	Moderate	196 - 205
BullDex	MCX	May	18628	18315	18471	18557	18713	18799	Bullish	Moderate	18514 - 18756
Copper	MCX	May	891.95	869	881	893	904	916	Bullish	Moderate	887 - 910
Zinc	MCX	May	261.95	257	259	263	266	270	Bearish	Moderate	258 - 265
Lead	MCX	May	194	191	193	194	196	197	Bearish	Moderate	192 - 195
Aluminum	MCX	May	237.65	232	235	237	240	243	Bullish	High	236 - 241

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