



Friday, May 17, 2024

Overview

- Gold prices inched higher on weaker than expected US data this week
- Natural gas prices gain on smaller than expected storage build
- China Industrial production was reported better than expectations at 6.7% v/s 5.5%

Precious Metals

Gold prices inched higher hovering near \$2400 while, silver marked an all-time high on domestic front, amidst soft inflation data pulled the dollar to one-month lows and pushed up expectations of interest rate cuts. Since start of this month, weak economic data points like US jobs market, inflation retail sales and a few housing number. US CPI and Core CPI both were reported lower than the previous month by 0.1% and 0.2% respectively. In the previous session, weekly jobless claims were reported better than expectations, similarly housing starts and building permits showed signs of weakness, supporting bullions. The CME Fed-watch tool showed traders pricing in a greater chance of a 25 basis point cut in September, at nearly 54%. Still, a slew of Fed officials warned over the past week that the central bank needed more confidence that inflation was going down. Sharp rally in industrial metals also has supported an up-move in silver prices. Today, economic calendar is fairly light w.r.t. the US, however focus will be on EU CPI and comments from Fed officials. Gold on domestic front is expected to trade in the range of ₹72,400 and 73,300.

Precious metals	Close (\$)	%Chg.
Gold	2377.8	0.1%
Silver	29.52	-0.3%
CFTC data	Speculative Longs	Change WoW
Gold	163132	-4007
Silver	34914	1154
ETF	Close	%Chg.
GOLD ETF	1940.0	-0.21
Silver ETF	24469	-27.00
Others	Close	%Chg.
DXY	104.46	0.2%
US 10Y Yields	4.37	0.5%

Base Metals

Copper prices on the CME hovered near record highs as buyers piled in expecting further gains due to sellers not being able to deliver the metal against their positions and having to roll them forward. CME copper has risen 27% so far this year, outpacing gains on the London Metal Exchange (LME) and creating an opportunity for traders to buy on the LME and sell on the CME. Broader sentiment remained supported by the prospect of rate cuts in the US following data released earlier this week that showed a fall in US inflation. In the early morning session, economic numbers from China were reported, Industrial production was reported better than expectations at 6.7% v/s 5.5% whereas, fixed asset investment and retail sales was reported lower than expectations. Dollar index also continues to hover below the 105 mark, falling by more than 100 bps since Fed policy meeting this month. CFTC data show that, at the end of April, non-commercial speculative investors amassed the biggest net long position in the metal since 2021.

Energy

Oil prices settled higher on rising hopes for a rate cut in the US after data showed a cooling job market and weaker inflation data and falling crude inventories kept prices supported and improved the demand outlook. Sentiment has also been bolstered by ongoing Middle East tensions, as Israel launched its invasion of Rafah amid fading hopes for a Gaza ceasefire. Recent declines in oil and refined product inventories at major global trading hubs have boosted expectations for oil demand growth, reversing a trend of rising stockpiles that had weighed heavily on crude oil prices in previous weeks. OPEC+ is set to meet on June 1 wherein they are largely expected to extend their voluntary production cuts, in an attempt to keep the oil market in balance. Currently voluntary output cuts totaling about 2.2 million barrels per day for the first half of 2024 are going on, led by Saudi Arabia rolling over an earlier voluntary cut. Although, some pressure is still felt from the IEA's lowered demand forecasts released this week. Natural gas prices rose, set for weekly gains after EIA reported a smaller-than-expected storage build. US utilities added 70 bcf of gas into storage last week, below market expectations of a 76 bcf increase. Weather forecasts also indicate a shift to warmer-than-normal temperatures until May 31, leading to increased gas consumption.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	894	0.9%
Aluminium	2380	1.6%
Nickel	1629	0.6%
Lead	194	-0.2%
Zinc	261	-0.8%

Inventory		Current	W/W Chg.	Units
Copper	LME	104625	0	MT
	Shanghai	290376	2878	MT
Aluminum	LME	1033450	0	MT
	Shanghai	211698	-12161	MT
Nickel	LME	80994	0	MT
	Shanghai	19825	-17	MT
Lead	LME	222250	0	MT
	Shanghai	62211	13890	MT
Zinc	LME	250875	0	MT
	Shanghai	131178	3386	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	79.45	0.1%
Natural gas	2.52	3.2%

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
12.6%	535	229	2067.5	71000	99.5	2348	1793	-8.1%
-5.1%	74	11	1569	71500	145	265	110	-3.5%
-9.2%	555	747	1229	72000	258.5	3232	1607	-6.2%
-25.2%	107	359	933	72500	446.5	631	107	-15.7%
9.0%	1253	6973	652	73000	662	3349	413	-8.8%
280.0%	19	28	387	73500	880	1	3	50.0%
23.1%	816	3034	288.5	74000	1398	111	48	108.7%
0.0%	0	0	166.5	74500	1719	0	0	0.0%
26.0%	844	1759	108.5	75000	2161	0	0	0.0%

MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-55.7%	2289	22592	152	6400	0.1	44946	4673	-49.0%
-75.2%	90	8682	110	6450	0.1	27853	2659	-30.0%
-77.9%	1889	110275	70.4	6500	0.1	161171	7864	-27.8%
-73.1%	1433	113987	40.4	6550	0.1	139224	3535	-2.5%
-82.5%	3130	361773	19.7	6600	0.6	337094	2623	-65.7%
-35.4%	4596	181266	9.1	6650	33.7	120752	1361	-7.1%
-34.7%	9174	142794	4.5	6700	84.2	105427	4519	-18.7%
-13.2%	3052	25501	2.8	6750	133.8	9406	1552	2.3%
-33.7%	5121	25797	2.5	6800	186.7	8454	1997	-24.0%

MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-2.3%	2205	412	29.55	170	0.4	10535	12023	-4.5%
-14.6%	2390	3828	20.4	180	0.8	23178	11353	1.9%
-21.2%	3885	22745	12.35	190	1.85	54273	10893	11.1%
-27.0%	1513	24663	9.05	195	2.7	45611	6494	36.8%
-21.1%	6257	107328	6.35	200	255	135503	10519	99.0%
-14.9%	2458	83922	4.45	205	6	65760	3474	561.7%
74.5%	6475	146256	2.9	210	8.45	74079	3039	286.1%
31.7%	4776	77145	1.2	220	15	13230	651	80.8%
24.2%	3247	36507	0.5	230	23.5	84	19	533.3%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,734	5,657	5,695	5,722	5,760	5,787	Bearish	Moderate	5709 - 5774
Cocudakl	NCDEX	Jun	2,645	2,596	2,621	2,638	2,663	2,680	Bearish	Moderate	2630 - 2672
Cotton	NCDEX	May	56,080	55,627	55,853	56,127	56,353	56,627	Bearish	Low	55740 - 56240
Dhaniya	NCDEX	Jun	7,442	7,271	7,357	7,417	7,503	7,563	Bearish	Moderate	7314 - 7460
Jeera	NCDEX	May	29,260	28,043	28,652	29,183	29,792	30,323	Bearish	Moderate	28918 - 30058
Guar Seed	NCDEX	Jun	5,481	5,402	5,441	5,470	5,509	5,538	Bearish	High	5456 - 5524
Guar Gum	NCDEX	Jun	10,738	10,599	10,669	10,728	10,798	10,857	Bearish	Moderate	10699 - 10828
Mentha Oil	MCX	May	937	919	928	941	950	963	Bearish	Moderate	924 - 946
Turmeric	NCDEX	Jun	17,988	17,659	17,823	18,067	18,231	18,475	Bearish	Moderate	17741 - 18149

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	72980	72460	72720	72994	73254	73528	Bullish	Low	72590 - 73124
Gold Comex	Comex	May	2380	2377	2378	2385	2387	2394	Bullish	Moderate	2377 - 2386
Silver	MCX	July	87300	86593	86947	87220	87574	87847	Bullish	Moderate	87084 - 87711
Silver Comex	Comex	June	29.74	29.22	29.48	29.71	29.97	30.21	Bullish	Low	29 - 30
Crude	MCX	May	6615	6470	6543	6602	6675	6734	Flat	Moderate	6507 - 6639
Crude Nymex	Nymex	June	78.74	77.05	77.89	78.60	79.44	80.15	Flat	Moderate	78 - 80
Nat Gas	MCX	May	208	193	201	207	215	222	Bullish	Moderate	204 - 218
BullDex	MCX	May	18649	18538	18593	18646	18701	18754	Bullish	Low	18566 - 18674
Copper	MCX	May	894.30	882	888	895	901	908	Bullish	Moderate	885 - 898
Zinc	MCX	May	261.25	258	260	262	263	266	Bearish	Moderate	259 - 263
Lead	MCX	May	194	193	194	194	195	195	Bearish	Moderate	193 - 195
Aluminum	MCX	May	238.05	234	236	238	241	243	Bullish	High	235 - 239

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