



Tuesday, May 21, 2024

Overview

- Gold prices hit a record high on accelerated safe haven demand
- Oil prices edge lower as Iran tensions ease
- Natural gas prices inch higher on demand supply pull and warmer weather forecast

Precious Metals

Gold and Silver prices hit a record high on domestic front as increased geopolitical tensions in the Middle East boosted safe haven demand, while a broader rally across metal markets also spilled over into bullions. There are a lot of questions regarding development and stability in the Middle East after the news of Iran's helicopter crash hit the market. As per sources, helicopter carrying Iranian President Ebrahim Raisi and his foreign minister crashed amid bad weather conditions over the weekend. US has clarified that they had no role whatsoever in the whole helicopter crash scenario, market participants are awaiting further updates regarding the same. Israel kept up its strikes against Gaza, and increased military action between Russia - Ukraine kept safe haven demand high. On other hand, economic data points from the US this month has been reported lower than expectations weighing on Dollar index and supporting precious metals pack. Focus today will be on comments from several fed officials regarding their stance in the interest rate cut scenario. Gold on domestic front is expected to trade in the range of ₹73,500 and 74,500.

Precious metals	Close (\$)	%Chg.
Gold	2415.3	-0.4%
Silver	31.33	-1.6%
CFTC data	Speculative Longs	Change WoW
Gold	172942	9810
Silver	41621	6707
ETF	Close	%Chg.
GOLD ETF	1978.8	41.71
Silver ETF	24568	130.39
Others	Close	%Chg.
DXY	104.57	0.1%
US 10Y Yields	4.45	0.4%

Base Metals

Copper hit another record high as investors continue to increase their exposure in anticipation of deepening supply shortages. The industry has warned for years that the development of new mines faces significant challenges, that was highlighted late last year with two major mines shuttered due to escalating costs and restrictive government policies. The red metal subsequently hit \$11,000/t amid a fund buying and supply tightness, even signs of subdued demand in China have failed to dampen spirits. Inventory levels remain elevated in China, while suppliers of copper wire and bars have been cutting output. Beijing on other hand, unveiled a raft of measures to support its ailing property sector. This included CNY300bn of funding to help government-backed firms to buy excess inventory. This is in addition to the CNY1tn announcement that China's finance ministry did, to support the overall economy. On data front, China's 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, in the previous week.

Energy

Oil prices settled lower, reversing early gains following confirmation of Iran's President's death in a helicopter crash. Prices were slightly up on early Monday following reports that a helicopter carrying Iranian President Raisi and his foreign minister crashed in mountainous terrain due to bad weather conditions over the weekend. The death was confirmed by state media but no foul play was detected in the cause of death which eased tensions stoking political uncertainty in major oil producing nation. A sense of caution remains in markets ahead of a slew of upcoming cues on US interest rates and economic data this week. Markets were also on edge before a meeting of the OPEC+ which is scheduled for June 1. Any updates on the cartel's plans to maintain ongoing production cuts will be squarely in focus. Natural gas prices rose nearly 5% yesterday, driven by lower production and rising demand. Weather forecasts predict warmer temperatures until May 31, causing a surge in gas consumption as power generators prepare to meet the increased electricity demand for air conditioning. On supply side, US Gas production has seen a 10% decline in 2024 due to various energy companies, such as EQT and Chesapeake Energy, delaying well completions and scaling back drilling operations.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	937	2.4%
Aluminium	2420	0.7%
Nickel	1747	5.9%
Lead	195	0.6%
Zinc	275	2.0%

Inventory		Current	W/W Chg.	Units
Copper	LME	105900	2250	MT
	Shanghai	290376	2878	MT
Aluminum	LME	1092800	-475	MT
	Shanghai	211698	-12161	MT
Nickel	LME	81834	30	MT
	Shanghai	19825	-17	MT
Lead	LME	209425	-3475	MT
	Shanghai	62211	13890	MT
Zinc	LME	258850	-525	MT
	Shanghai	131178	3386	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	78.84	-1.2%
Natural gas	2.77	4.5%

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	128746	11095
Natural Gas	-12701	44565

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		
-7.8%	427	265	1672.5	72000	65	2405	1767	-3.9%	
-30.8%	45	56	1266	72500	89.5	382	223	19.9%	
-16.6%	914	3543	921	73000	155.5	6194	1778	27.0%	
-69.8%	76	819	653	73500	276.5	1440	187	325.0%	
-8.2%	1155	10885	416	74000	442	3406	410	276.1%	
0.0%	1	1	251	74500	503.5	5	5	0.0%	
25.1%	1115	6747	162.5	75000	1055.5	42	20	400.0%	
0.0%	0	0	74.5	75500	1332.5	0	0	0.0%	
0.0%	60	90	36	76000	1768.5	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
16.7%	728	3866	323.5	6400	111	28613	1869	-6.3%	
-4.0%	24	66	293.9	6450	126.7	5403	612	84.3%	
33.2%	2181	21731	257.9	6500	148.6	54592	5251	-22.2%	
160.5%	482	4095	228.6	6550	170.8	10549	679	0.7%	
81.2%	9449	94199	199.8	6600	196	88445	4969	0.2%	
171.5%	2813	31306	174.5	6650	222.6	16075	339	16.1%	
189.7%	6536	72420	152.4	6700	253.3	40097	1855	77.9%	
242.4%	1130	6798	130.1	6750	282.3	741	42	500.0%	
-100.0%	0	0	103.8	6800	315	5494	685	2.9%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-3.7%	2220	417	37.15	180	0.15	4422	9521	-11.3%	
-7.4%	3280	1395	27.4	190	0.25	10648	10290	-6.2%	
-32.5%	2401	4411	18.25	200	0.6	31112	10352	-12.0%	
-26.2%	918	4881	14.2	205	0.85	15555	4233	-12.8%	
-34.5%	4628	24858	10.55	210	255	39328	7942	-8.0%	
-57.4%	1221	27797	7.8	215	2.4	38973	3360	27.1%	
-9.0%	4298	94876	5.45	220	3.8	90380	6014	229.4%	
48.1%	8068	104408	2.3	230	8.4	41786	1903	473.2%	
40.3%	5151	50732	0.9	240	15.8	3228	73	-39.2%	

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	74367	73304	73835	74139	74670	74974	Bullish	Moderate	73987 - 74822
Gold Comex	Comex	May	2434	2400	2417	2426	2443	2453	Bullish	High	2422 - 2448
Silver	MCX	July	95267	90250	92759	94119	96628	97988	Bullish	Moderate	93439 - 97308
Silver Comex	Comex	June	32.27	30.42	31.34	31.96	32.88	33.50	Bullish	Low	32 - 33
Crude	MCX	May	6619	6530	6574	6648	6692	6766	Flat	Moderate	6552 - 6670
Crude Nymex	Nymex	June	79.30	77.92	78.61	79.36	80.05	80.80	Flat	Moderate	78 - 80
Nat Gas	MCX	May	227	215	221	225	231	235	Bullish	Moderate	223 - 233
BullDex	MCX	May	19382	18885	19134	19285	19534	19685	Bullish	Moderate	19210 - 19610
Copper	MCX	May	936.50	914	925	931	943	949	Bullish	Moderate	928 - 946
Zinc	MCX	May	275.05	264	270	273	278	281	Bullish	Moderate	271 - 279
Lead	MCX	May	195	193	194	195	196	197	Bullish	High	195 - 197
Aluminum	MCX	May	242.45	237	240	241	244	246	Bullish	High	240 - 245

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