



Wednesday, May 22, 2024

## Overview

- Gold prices eased from record highs, as investors continued to assess the recent remarks from Fed officials
- Oil prices edge lower as rate cut uncertainty weighs on demand outlook
- Aluminum rose on concerns over raw material supply

## Precious Metals

Gold prices cooled near a record peak hit in the previous session as the dollar held ground, but stayed afloat at the \$2,400 level on support from safe-haven interest and prospects of U.S. interest rates easing this year. Safe haven demand for Gold and Silver increased as traders feared some geopolitical instability in the Middle East after Iran's President was killed in a helicopter crash however, the immediate impact of his death remained unclear. The lack of any major instability in the Middle East sapped safe haven demand for gold, leaving it more vulnerable to concerns over U.S. interest rates. String of Fed policy makers warned that the central bank needed much more convincing that inflation was easing before it could begin trimming interest rates, maintaining higher for longer stance. U.S. households continued to feel pinched by inflation in late 2023 even as price pressures subsided. Recent report from WGC suggest that Global gold physically-backed gold exchange-traded funds (ETFs) saw net inflows of \$1 billion last week - the largest weekly inflow since October 2023. Focus today will be on UK CPI, US existing home sales and FOMC meeting minutes. Gold on domestic front is expected to trade in the range of ₹73,500 and 74,500.

Precious metals	Close (\$)	%Chg.
Gold	2421.3	0.0%
Silver	32.01	0.2%
CFTC data	Speculative Longs	Change WoW
Gold	172942	9810
Silver	41621	6707
ETF	Close	%Chg.
GOLD ETF	1965.2	-13.53
Silver ETF	24571	3.14
Others	Close	%Chg.
DXY	104.66	-0.1%
US 10Y Yields	4.41	-0.5%

## Base Metals

Aluminium prices hit the highest level in almost two years and marked one of the biggest daily growth in 16 months due to concerns about raw material supply. Aluminium, the metal used in power, construction and transport industries was buoyed by supply worries after Rio Tinto declared force majeure on third party contracts for alumina exports from its refineries in Queensland, Australia. A drop in on warrant aluminium stocks in LME registered warehouses to a two-week low of 556100 tons after ~82000 tons of cancellation provided further support to prices. Meanwhile, weak physical demand in top consumer China after prices hit record highs and mounting inventories, weighed on copper prices. In SHFE warehouses, copper inventories stood at 291,020 tons last Friday, more than four times higher than that in the beginning of February. The dollar was steady against its major crosses, as market participants were cautious ahead of the Fed meeting minutes, to get more insight on the central bank's interest rate path.

## Energy

Oil prices fell further as investors awaited weekly crude inventory reports, amid persistent concerns about the impact of higher-for-longer US interest rates on oil demand and Middle East turmoil. Easing concerns over geopolitical instability also cooled off risk premium and the death of Iran President has also not affected prices as foul play had been ruled out. API showed U.S. oil stocks increased by 2.5 mb in the week ending May 17, above estimates of a draw of 3.1 mb. Gasoline stockpiles increased by 2.1 million barrels, while distillate inventories decreased by 320,000 barrels. The surprise increase in stockpiles raised concerns about weak US oil demand, particularly in terms of fuel usage. The dollar has been showing some strength ahead of important FOMC minutes due today which will offer more cues on the central bank's plans to cut rates. The OPEC+ meeting on June 1 is highly anticipated, as they will discuss output policy, including whether to extend the voluntary supply restrictions of 2.2 million barrels per day from Saudi Arabia. Today, weekly US crude inventories and FOMC meeting minutes will be in focus.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	935	2.1%
Aluminium	2480	1.1%
Nickel	1747	0.0%
Lead	195	0.1%
Zinc	275	3.0%

Inventory		Current	W/W Chg.	Units
Copper	LME	108200	2300	MT
	Shanghai	290376	2878	MT
Aluminum	LME	1092300	-500	MT
	Shanghai	211698	-12161	MT
Nickel	LME	82074	240	MT
	Shanghai	19825	-17	MT
Lead	LME	206900	-2525	MT
	Shanghai	62211	13890	MT
Zinc	LME	258525	-325	MT
	Shanghai	131178	3386	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	78.10	-0.2%
Natural gas	2.68	-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	128746	11095
Natural Gas	-12701	44565

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
-6.6%	399	122	2335.5	72000	57.5	3310	1409	-20.3%
-6.7%	42	11	1796.5	72500	79	291	204	-8.5%
-20.1%	730	1728	1408	73000	138	6363	2316	30.3%
25.0%	95	592	1029.5	73500	268.5	902	204	9.1%
29.9%	1500	14379	706	<b>74000</b>	492	5419	539	31.5%
9600.0%	97	423	134	74500	839	6	6	20.0%
58.8%	1771	9359	289.5	75000	1197	133	23	15.0%
0.0%	0	0	117	75500	1578	0	0	0.0%
191.7%	175	763	146	76000	2046	0	0	0.0%

## MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
41.3%	236	2980	356	6300	80.5	44274	1719	42.7%
0.0%	0	13	258.7	6350	94.9	8361	134	76.3%
12.5%	819	15778	285.7	6400	110.3	52275	2036	8.9%
45.8%	35	3133	258.6	6450	127.4	15239	560	-8.5%
31.2%	2862	119899	225.1	<b>6500</b>	147.9	129626	5210	-0.8%
72.4%	831	34006	198.7	6550	170.6	31975	736	8.4%
4.7%	9890	166234	172.2	6600	196.1	99201	3333	-32.9%
8.5%	3053	36833	150.2	6650	222.3	9941	226	-33.3%
-2.5%	6370	87945	129	6700	252.1	23345	977	-47.3%

## MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-1.3%	627	115	42.05	185	0.2	3092	3760	-5.2%
-5.9%	1204	260	31.7	195	0.4	8710	5050	-10.6%
-28.1%	660	2043	22.85	205	1	19676	3738	-11.7%
-29.4%	3268	20183	18.15	210	1.55	62032	6181	-22.2%
-23.3%	937	28161	14.25	<b>215</b>	255	57543	2847	-15.3%
-17.6%	3543	102307	10.7	220	4.35	145362	4842	-19.5%
29.4%	4461	127199	7.75	225	6.8	136380	4150	6.1%
142.2%	4422	108337	3.75	235	13.55	38851	617	295.5%
156.8%	3636	33692	1.8	245	21.95	137	19	0.0%

## Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,701	5,624	5,663	5,701	5,740	5,778	Bearish	Moderate	5644 - 5721
Cocudakl	NCDEX	Jun	2,714	2,676	2,695	2,718	2,737	2,760	Bearish	Moderate	2693 - 2735
Cotton	NCDEX	May	57,560	56,773	57,167	57,673	58,067	58,573	Bearish	Moderate	57420 - 58320
Dhaniya	NCDEX	Jun	7,688	7,372	7,530	7,620	7,778	7,868	Bearish	Moderate	7575 - 7823
Jeera	NCDEX	May	29,510	28,163	28,837	29,173	29,847	30,183	Bearish	Moderate	29005 - 30015
Guar Seed	NCDEX	Jun	5,535	5,441	5,488	5,518	5,565	5,595	Bearish	Moderate	5503 - 5580
Guar Gum	NCDEX	Jun	10,932	10,587	10,760	10,864	11,037	11,141	Bearish	Moderate	10812 - 11089
Mentha Oil	MCX	May	939	927	933	939	945	951	Bearish	Moderate	930 - 942
Turmeric	NCDEX	Jun	18,952	17,736	18,344	18,648	19,256	19,560	Bullish	High	18496 - 19408

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	74021	73392	73706	74016	74330	74640	Bullish	Low	73861 - 74485
Gold Comex	Comex	May	2422	2416	2419	2424	2427	2433	Bullish	Moderate	2417 - 2426
Silver	MCX	July	94725	91339	93032	94491	96184	97643	Bullish	Low	93762 - 96914
Silver Comex	Comex	June	31.92	30.71	31.32	31.91	32.51	33.10	Bullish	Moderate	31 - 32
Crude	MCX	May	6568	6445	6506	6550	6611	6655	Bearish	Moderate	6476 - 6581
Crude Nymex	Nymex	June	78.66	76.89	77.77	78.54	79.42	80.19	Bearish	Moderate	77 - 79
Nat Gas	MCX	May	224	213	218	226	231	239	Bullish	Low	216 - 229
BullDex	MCX	May	19267	19028	19147	19271	19390	19514	Bullish	Moderate	19209 - 19452
Copper	MCX	May	935.15	915	925	936	946	956	Bullish	Low	930 - 951
Zinc	MCX	May	275.30	269	272	276	279	283	Bullish	Moderate	274 - 281
Lead	MCX	May	195	194	195	195	196	197	Bullish	High	195 - 196
Aluminum	MCX	May	247.65	235	241	247	253	258	Bullish	High	244 - 256

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