



Thursday, May 23, 2024

Overview

- Gold prices eased after FOMC meeting minutes show worry by Fed officials over stagnant inflation progress
- Oil prices fell on demand concerns fueled by inventory build up
- Base metals were dragged by hawkish Fed and weakening demand scenario in China

Precious Metals

Gold and Silver prices retreat from record highs, on the back of some profit booking and ambiguity regarding Fed interest rate cut and geo-political tensions. Both Gold and Silver prices posted significant gains in the past few trading session, hence some profit booking at higher levels is warranted. Also, in FOMC meeting minutes, Federal Reserve officials indicated that it would take longer than previously anticipated to gain greater confidence in inflation moving to 2%. Many officials commented on uncertainty about degree of policy, several officials believe that long run rates needs to be higher but also worry about the overall financial conditions. There was no change in rate cut probability for the month September, post meeting minutes, and is hovering around 50%. Steady dollar also weighed on metal prices, while safe haven demand for gold cooled amid little signs of worsening geopolitical conditions in the Middle East, after the Iranian President was killed in a helicopter crash. On data front, a few housing related data points were reported lower than expectations, focus today will be on US weekly jobless claims, new home sales and manufacturing and services PMI data from major economies. Gold on domestic front is expected to trade in the range of ₹72,500 and 73,200.

Precious metals	Close (\$)	%Chg.
Gold	2369.0	-0.4%
Silver	30.42	-1.1%
CFTC data	Speculative Longs	Change WoW
Gold	172942	9810
Silver	41621	6707
ETF	Close	%Chg.
GOLD ETF	1938.7	-26.51
Silver ETF	24512	-58.83
Others	Close	%Chg.
DXY	104.93	-0.1%
US 10Y Yields	4.43	0.5%

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Base Metals

Base metal prices languished, dragged down by a stronger U.S. dollar after hawkish minutes of the Federal Reserve's meeting and weakening demand in top consumer China. The dollar hovered near a one-week high on Thursday following its best day this month against major peers after minutes of the last Fed meeting revealed a willingness to raise interest rates among some officials. Also weighing on metals was the waning demand in China, as large price rises this year hit copper-user consumption and pushed inventories higher. Chinese copper rod producers have cut or stopped production due to slowing sales. Copper prices gained more than 22% this year, prices are now witnessing some ease off as a speculative frenzy in the red metal cooled ahead of more cues on physical supply and overall demand. In SHFE warehouses, copper inventories stood at 291,020 tons last Friday, more than four times higher than that in the beginning of February.

Energy

Oil prices retreated lower following surprise inventory buildup and rekindled demand worries after FOMC meeting minutes showed Fed officials still see higher for longer rates due to sustained inflation in the US. U.S. oil stockpiles according to IEA increased by 1.8 million barrels last week, defying expectations of a 2.4-million-barrel reduction. The surprise increase in stocks worsened fears about sluggish U.S. oil consumption, particularly ahead of the forthcoming Memorial Day vacation, which normally marks the start of summer driving season. Distillate inventories also grew, while gasoline inventories saw a smaller-than-expected draw. The minutes of the Fed's late-April meeting revealed decreasing policymakers' confidence that inflation was lowering as expected, potentially demanding higher for longer interest rates. On the supply front, markets now await the OPEC+ meeting where the cartel could potentially extend its current production cuts. Natural gas prices rose, aided by decreased production and rising demand. Weather forecasts are predicting warmer temperatures until May 29, prompting a surge in gas consumption as power generators gear up to meet the increased electricity demand for air conditioning. Today, natural gas storage along with manufacturing and services PMI data from the US will be important to eye on

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	896	-0.1%
Aluminium	2420	2.1%
Nickel	1783	2.1%
Lead	193	-1.0%
Zinc	272	0.1%

Inventory		Current	W/W Chg.	Units
Copper	LME	110250	2050	MT
	Shanghai	290376	2878	MT
Aluminum	LME	1125175	32875	MT
	Shanghai	211698	-12161	MT
Nickel	LME	84090	2016	MT
	Shanghai	19825	-17	MT
Lead	LME	202550	-4350	MT
	Shanghai	62211	13890	MT
Zinc	LME	257625	-900	MT
	Shanghai	131178	3386	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	77.03	-0.3%
Natural gas	2.81	6.0%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	458.85	1.83	Mnbl
Gasoline	226.82	-0.94	Mnbl
Distillate	116.74	0.38	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		
-66.5%	168	41	2990.5	71000	30	698	1038	-24.8%	
-91.8%	4	1	2422.5	71500	49	465	188	79.0%	
17.5%	469	209	2086	72000	89	3996	1174	-16.7%	
26.2%	53	69	1583.5	72500	207	2103	202	-1.0%	
-30.7%	506	2235	1123.5	73000	390.5	8799	949	-59.0%	
128.4%	217	1319	775	73500	678	1687	71	-65.2%	
-0.6%	1491	9028	485	74000	1080	3477	336	-37.7%	
716.5%	792	2669	276.5	74500	1456.5	47	45	650.0%	
-25.3%	1323	6660	162.5	75000	1948	155	68	195.7%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
58.9%	375	6800	344.6	6300	97.6	52981	1808	5.2%	
0.0%	2	17	284.9	6350	114.9	13747	318	137.3%	
-100.0%	0	0	257.4	6400	134.6	76713	2497	22.6%	
845.7%	331	9192	244.6	6450	155.2	21529	576	2.9%	
163.0%	7528	173674	214.5	6500	179.6	162219	6256	20.1%	
97.2%	1639	43539	186	6550	205.4	29746	699	-5.0%	
21.6%	12031	133917	161.4	6600	234.1	63880	2416	-27.5%	
-9.1%	2775	23271	138.3	6650	263.2	3783	133	-41.2%	
18.3%	7534	67884	119.4	6700	298.4	9902	797	-18.4%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-4.6%	2057	3551	24.1	200	0.15	40999	8815	-13.3%	
-5.8%	3080	37215	15.05	210	0.45	86176	6783	9.7%	
-0.9%	3512	220712	7.95	220	1.35	219581	9410	94.3%	
-43.8%	2505	183213	5.4	225	2.15	118590	6347	52.9%	
-36.7%	8079	229754	3.4	230	255	125503	7839	58.8%	
-24.1%	3357	101612	2.2	235	5.35	39200	1875	203.9%	
24.4%	7436	107791	1.3	240	8.55	24755	1093	214.1%	
-5.8%	7231	31983	0.45	250	17.2	2211	64	178.3%	
-9.5%	3037	7269	0.15	260	25.8	0	0	0.0%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,729	5,664	5,697	5,718	5,751	5,772	Bearish	Moderate	5708 - 5762
Cocudakl	NCDEX	Jun	2,739	2,661	2,700	2,727	2,766	2,793	Bearish	Moderate	2714 - 2780
Cotton	NCDEX	May	58,000	57,387	57,693	57,927	58,233	58,467	Bearish	Moderate	57810 - 58350
Dhaniya	NCDEX	Jun	7,760	7,564	7,662	7,730	7,828	7,896	Bearish	Moderate	7696 - 7862
Jeera	NCDEX	May	29,240	27,643	28,442	29,453	30,252	31,263	Bearish	High	28043 - 29853
Guar Seed	NCDEX	Jun	5,530	5,473	5,502	5,544	5,573	5,615	Bearish	Moderate	5488 - 5559
Guar Gum	NCDEX	Jun	10,914	10,719	10,816	10,958	11,055	11,197	Bearish	Moderate	10768 - 11007
Mentha Oil	MCX	May	943	935	939	942	947	950	Bullish	High	941 - 948
Turmeric	NCDEX	Jun	19,648	18,193	18,921	19,453	20,181	20,713	Bullish	High	19187 - 20447

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	73046	72299	72673	73349	73723	74399	Bearish	Moderate	72486 - 73536
Gold Comex	Comex	May	2389	2352	2371	2394	2413	2436	Bearish	Moderate	2362 - 2403
Silver	MCX	July	93013	91396	92205	93536	94345	95676	Bullish	Low	91801 - 93941
Silver Comex	Comex	June	31.35	30.09	30.72	31.48	32.11	32.88	Bearish	Moderate	30 - 32
Crude	MCX	May	6492	6412	6452	6495	6535	6578	Bearish	Moderate	6432 - 6515
Crude Nymex	Nymex	June	77.15	76.16	76.66	77.34	77.84	78.52	Bearish	Moderate	76 - 78
Nat Gas	MCX	May	234	211	222	229	241	248	Bullish	Moderate	226 - 244
BullDex	MCX	May	18995	18762	18878	19077	19193	19392	Bearish	High	18820 - 19135
Copper	MCX	May	896.15	871	883	907	919	943	Bearish	Moderate	877 - 913
Zinc	MCX	May	271.75	266	269	273	276	281	Bullish	Moderate	268 - 275
Lead	MCX	May	193	192	193	194	195	196	Bearish	Moderate	192 - 195
Aluminum	MCX	May	241.50	234	238	244	248	254	Bearish	Moderate	236 - 246

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