



Monday, May 27, 2024

Overview

- Dollar remains subdued amidst Memorial Day holiday
- Oil prices steady ahead of OPEC meeting
- Copper prices dipped on signs of profit booking

Precious Metals

Gold prices as the dollar slipped, but were headed for their worst week in five and a half months as hopes of interest rate cuts by the U.S. central bank tamed. More than a \$100 move was seen in bullion last week, but towards the end, it shed more than 3%, its worst weekly dip since early December. However, over the weekend, updates regarding tiff between Israel and Hamas increased, along with that China has been sighted around the borders of Taiwan, overall increasing the risk premium for safe haven assets. On other hand, minutes from the Federal Reserve's last meeting published previous week showed the central bank's path to 2% inflation could take longer than expected. Fed officials have also been actively presenting their case on the monetary policy, inflation and possible path ahead. Bets for a rate cut in September continues to hover below 50% mark. Speculators boosted their net-long position in Comex futures by 21,030 contracts in the week to 21 May. That's the highest level since April 2020. Central banks are also showing no end to buying. Iran imported 4.6t in the first two months of the year, up 283% y/y. US and UK markets are shut today on the back of Memorial day and bank holiday respectively. However, focus this week will be on US GDP, inflation and consumer confidence data. Gold on domestic front is expected to trade in the range of ₹71,700 and 72,700.

Precious metals	Close (\$)	%Chg.
Gold	2346.0	0.5%
Silver	30.81	1.5%
CFTC data	Speculative Longs	Change WoW
Gold	193972	21030
Silver	37703	-3918
ETF	Close	%Chg.
GOLD ETF	1554.7	-407.17
Silver ETF	11433	-13104.22
Others	Close	%Chg.
DX	104.72	0.0%
US 10Y Yields	4.47	0.9%

Base Metals

Base metal prices inched lower in the previous week, led by copper which endured its biggest weekly loss in more than three months as profit taking emerged following recent gains. Signs of soft demand in China triggered the rethink on market tightness that had pushed the red metal to a record high earlier this month. Chinese fabricators are expected to cut run rates at factories to 66% of capacity this month. In the early morning trade, copper continues to trade lower however, aluminum prices have gained momentum, supported by a strong price rally in key raw material alumina and robust demand. The most-traded SHFE alumina contract gained 8.3% last week, boosted by speculative trading given limited supply and rising demand expectations especially in solar and electric vehicles sectors. On other hand, this has been exacerbated by a stronger Dollar, following better than expected economic data in the previous week, which increased doubts regarding a rate cut in the month of September.

Energy

Oil prices settled higher on Friday but were set for weekly losses underpinned by demand worries on heightened possibility of higher for longer interest rates in the US. Worries over interest rate policy was coupled with the surprise build up in crude oil inventories, which weighed on sentiment. Some diminishing tensions in the Middle East also pointed to fewer supply disruptions for oil, although U.S. oil consumption is likely to increase in the coming weeks due to the busy summer travel season. The Memorial Day weekend vacation which commences today, traditionally signals the start of the driving season which offers positive cues for fuel demand pick up. Markets now anticipate an online meeting of the OPEC+ on June 2. The focus will be primarily on whether the cartel will prolong voluntary production cuts totaling approximately 2.2 million barrels per day beyond an end-of-June deadline. Extended production cuts and a potential improvement in demand could spell tighter oil markets in the near-term, which bodes well for prices. Natural gas prices fell in an oversupply and increased output scenario. Output has increased by 1.5 bcfd since hitting a 15-week low on May 1, indicating that some drillers started producing more gas in response to higher prices. This week, US PCE price index will be important for further cues on policy outlook, as well as Chinese PMI figures to further guide the demand outlook.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	886	-0.8%
Aluminium	2410	-0.7%
Nickel	1714	-2.4%
Lead	190	0.6%
Zinc	274	0.9%

Inventory		Current	W/W Chg.	Units
Copper	LME	112675	2650	MT
	Shanghai	290376	2878	MT
Aluminum	LME	1124700	-3075	MT
	Shanghai	211698	-12161	MT
Nickel	LME	83988	-54	MT
	Shanghai	19825	-17	MT
Lead	LME	198750	-3425	MT
	Shanghai	62211	13890	MT
Zinc	LME	257225	-400	MT
	Shanghai	131178	3386	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	77.99	0.4%
Natural gas	2.50	-5.4%

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	172286	43540
Natural Gas	14455	27156

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		
-100.0%	0	0	3523.5	69500	9	0	3	-97.1%	
-84.2%	106	27	3042	70000	32.5	1175	952	-11.3%	
100.0%	4	10	3277.5	70500	59	35	60	-47.4%	
216.7%	532	378	2080	71000	123.5	5610	1360	31.0%	
1625.0%	69	179	1647	71500	271.5	1464	156	-17.0%	
140.1%	1126	8040	1115.5	72000	520	12657	791	-32.6%	
666.0%	406	3083	783	72500	925	1898	127	-37.1%	
296.6%	2007	14812	432	73000	1393	3628	610	-35.7%	
181.1%	610	2346	260.5	73500	1829.5	196	179	152.1%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
94.3%	204	4546	296.5	6200	73.6	44962	2146	210.1%	
500.0%	6	74	175.9	6250	84.7	16213	571	556.3%	
-49.4%	923	48181	232.3	6300	98.4	86402	5618	220.5%	
170.0%	270	13129	203.7	6350	116.7	38120	2084	520.2%	
-27.0%	3544	153651	177.3	6400	135.3	133404	7101	121.6%	
-31.4%	992	35194	153.1	6450	157	22705	1569	107.0%	
-45.9%	7618	115874	130.9	6500	178.5	67272	5650	11.9%	
-34.4%	1853	23341	111.6	6550	203.1	3549	509	-21.6%	
-30.5%	10002	72894	93.8	6600	234.5	11755	1380	-26.2%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-12.0%	1468	2799	23.8	200	0.05	8390	6601	-5.4%	
-28.7%	1432	55467	14	210	0.05	88244	4166	-25.3%	
142.5%	5277	105541	6.15	220	7	134154	3681	-41.1%	
6.2%	4525	76976	3.55	225	12.15	55102	2742	-38.0%	
-14.3%	6808	62046	2.05	230	255	25351	2532	-23.7%	
-27.0%	6182	36766	1.25	235	22.25	9689	2632	-20.9%	
-23.5%	7032	27566	0.65	240	27.25	3517	1108	-15.9%	
-0.2%	13108	12429	0.15	250	35.6	107	1250	-0.6%	
4.1%	3473	2530	0.1	260	33.65	0	2	0.0%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,691	5,635	5,663	5,691	5,719	5,747	Bearish	Moderate	5649 - 5705
Cocudakl	NCDEX	Jun	2,749	2,678	2,714	2,739	2,775	2,800	Bearish	Moderate	2727 - 2788
Cotton	NCDEX	July	58,280	57,893	58,087	58,333	58,527	58,773	Bearish	Moderate	57990 - 58430
Dhaniya	NCDEX	Jun	7,614	7,537	7,575	7,627	7,665	7,717	Bearish	Moderate	7556 - 7646
Jeera	NCDEX	Jun	29,390	28,010	28,700	29,290	29,980	30,570	Bearish	Moderate	28355 - 29635
Guar Seed	NCDEX	Jun	5,495	5,446	5,471	5,500	5,525	5,554	Bearish	Moderate	5459 - 5513
Guar Gum	NCDEX	Jun	10,791	10,670	10,730	10,828	10,888	10,986	Bearish	High	10700 - 10858
Mentha Oil	MCX	Jun	942	935	938	944	947	952	Flat	Moderate	937 - 945
Turmeric	NCDEX	Jun	19,972	18,809	19,391	19,781	20,363	20,753	Bullish	High	19586 - 20558

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	71256	70910	71083	71384	71557	71858	Bearish	Moderate	70997 - 71471
Gold Comex	Comex	June	2335	2314	2324	2337	2347	2359	Bearish	Moderate	2330 - 2353
Silver	MCX	July	90548	89704	90126	90788	91210	91872	Bearish	Moderate	89915 - 90999
Silver Comex	Comex	June	30.35	29.80	30.07	30.37	30.65	30.95	Bearish	Moderate	30 - 31
Crude	MCX	June	6471	6297	6384	6432	6519	6567	Bearish	Moderate	6408 - 6543
Crude Nymex	Nymex	July	77.23	75.04	76.14	76.84	77.94	78.64	Bearish	Moderate	76 - 78
Nat Gas	MCX	June	235	225	230	239	244	253	Bearish	Moderate	227 - 241
BullDex	MCX	May	18551	18444	18498	18578	18632	18712	Bearish	High	18471 - 18605
Copper	MCX	May	883.05	872	878	888	893	903	Bearish	Moderate	875 - 890
Zinc	MCX	May	274.20	268	271	273	276	279	Bullish	Moderate	272 - 277
Lead	MCX	May	189	187	188	190	191	192	Bearish	Moderate	187 - 190
Aluminum	MCX	May	240.80	236	238	241	244	246	Bearish	Moderate	240 - 245

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