



Friday, May 31, 2024

## Overview

- Gold prices fell, led by strength in dollar and higher for longer rate prospects
- Oil prices fell on gasoline and distillate inventory build up
- Copper prices inched lower on profit booking
- Today, Fed's preferred gauge of inflation- Core PCE Index will be in focus

## Precious Metals

Gold and Silver prices fell, weighed by strength in the dollar and U.S. Treasury yields as traders remained on edge before key economic readings that are likely to factor into interest rates. The greenback rose to an over two-week high amidst fears of high-for-longer U.S. interest rates, benchmark U.S. Treasury yields also rose this week, from ~4.4% to ~4.6% mark. Updates regarding geo-political tensions are increasing, as attack on Rafah from Israel continue supporting bullions. However, Hamas has mentioned that if Israel stops their attack on Gaza negotiation on hostage releases can be done. On data front, US GDP was reported lower than expectations at 1.3% against expectations of 1.6% and previous data of 3.4%- not much of an impact was seen in the market, as market participants are waiting for US inflation data scheduled later today. If US Core PCE price index data is reported lower than expectations, it could support metals and we could see a delayed impact of GDP as well. Gold on domestic front is expected to be between the range of ₹71,400 -72,400.

Precious metals	Close (\$)	%Chg.
Gold	2338.4	-0.2%
Silver	30.84	-1.1%
CFTC data	Speculative Longs	Change WoW
Gold	193972	21030
Silver	37703	-3918
ETF	Close	%Chg.
GOLD ETF	1561.6	3.56
Silver ETF	11413	0.00
Others	Close	%Chg.
DXY	104.72	0.1%
US 10Y Yields	4.54	-1.5%

## Base Metals

Copper led the base metals sector lower as profit taking accelerated, recording its sixth daily decline in seven sessions and is now hovering close to \$10,000 on LME. Tentative improvements in manufacturing and industrial sectors triggered a shift in sentiment earlier this month however, this has been underpinned by ongoing supply side issues. Aluminium's decline was offset by the prospect of future supply cuts in China, Beijing announced new capacity limits on alumina refineries. It also reaffirmed strict implementation of aluminium swap scheme, where any new smelter needs to be matched by the closing of an existing one. Today in the early morning session, economic number from China was reported lower than expectations, weighing further on metal prices. Manufacturing PMI was reported below the 50 mark, Industrial production also came in below the 0% mark. Copper is expected to benefit from a growing supply deficit of raw material and rising demand, the recent rally has hit actual consumption. Focus today will be on US PCE price index data.

## Energy

Oil prices inched lower amidst a surprise build in U.S. gasoline stocks that weighed on the market and comments from U.S. Fed officials who said it was too soon to start considering rate cuts dampened demand outlook. U.S. gasoline stockpiles rose by 2 million barrels last week, above the 1M increase expected. Distillates stocks also increased much more than expected, with a build of 2.5M barrels, compared with forecast for a 400,000 barrels. These negative by product readings offset a large 4.2M barrel decline in crude inventories, as US summer driving season is underway. Data showed U.S. GDP rose 1.3% in below the 3.4% growth seen in the prior quarter. While GDP slowing down indicated a slowing economy and growth pressure, elevated inflation levels could mean that the Fed maintains interest rates high for longer which may weigh on demand. Markets now await a meeting of the OPEC+ which is set to take place virtually this weekend. The cartel is widely expected to maintain its current pace of production cuts past the End-June deadline. Natural gas prices also retreated lower after data showed storage rose to 84 bcf, greater than market expectations of 77 bcf. Today, the Fed's preferred gauge of inflation- Core PCE index will be important to watch for.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	874	-0.4%
Aluminium	2480	1.5%
Nickel	1728	0.6%
Lead	192	-0.2%
Zinc	271	0.1%

Inventory		Current	W/W Chg.	Units
Copper	LME	118125	825	MT
	Shanghai	290376	2878	MT
Aluminum	LME	1120050	0	MT
	Shanghai	211698	-12161	MT
Nickel	LME	83634	0	MT
	Shanghai	19825	-17	MT
Lead	LME	188275	-1975	MT
	Shanghai	62211	13890	MT
Zinc	LME	251775	-1950	MT
	Shanghai	131178	3386	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	77.53	-0.5%
Natural gas	2.57	3.1%

Inventory ( EIA)	Current	W/W Chg.	Units
Crude oil	454.69	-4.16	Mnbl
Gasoline	228.84	2.02	Mnbl
Distillate	119.29	2.54	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	
0.0%	104	28	2344	70000	216.5	1817	749	10.5%
0.0%	0	0	2076.5	70500	389	0	0	0.0%
-8.9%	144	245	1650.5	71000	480.5	2050	658	11.3%
0.0%	1	1	1412.5	71500	778	19	5	400.0%
2.8%	1193	3925	1086.5	<b>72000</b>	901.5	2771	892	0.8%
2.0%	150	283	857	72500	1217.5	0	0	0.0%
-1.1%	1219	3163	663.5	73000	1466	178	229	-4.6%
0.0%	0	0	524	73500	1862	0	0	0.0%
-3.0%	715	1130	392	74000	2391	5	22	-8.3%

## MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
25.9%	73	315	457.3	6200	60	24260	1172	-24.1%
-10.0%	9	1	377	6250	70.7	8318	480	24.4%
35.0%	1295	5392	369	6300	83.8	59948	3140	-29.0%
15.8%	352	855	348.2	6350	97.5	18489	1045	-23.3%
7.1%	2336	19244	286.7	<b>6400</b>	115.7	85653	4580	-27.5%
5.7%	665	4992	251	6450	135.3	31308	1588	-18.6%
85.6%	8822	115471	216.5	6500	159.3	168710	6089	-41.0%
54.5%	2127	39606	185.3	6550	184.6	57436	1600	-22.1%
118.3%	16133	214324	159.2	6600	216.2	212097	5465	-1.6%

## MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
0.0%	0	0	38.55	185	2.15	1070	126	281.8%
60.0%	8	3	29.55	195	3.95	8012	520	12.6%
1533.3%	98	1095	26.05	205	7	16850	476	-20.5%
109.7%	646	10727	20.4	210	9	36989	2653	15.4%
314.0%	712	19252	17.7	<b>215</b>	255	30626	1442	137.6%
133.0%	4005	51214	15	220	14	57590	4827	30.8%
29.8%	1825	30862	12.75	225	16.95	18708	1045	-4.4%
10.7%	2384	15777	8.9	235	23.9	2352	299	-37.8%
-8.1%	1020	6946	6.2	245	31.1	109	149	-1.3%

## Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,715	5,662	5,689	5,727	5,754	5,792	Bearish	Moderate	5676 - 5741
Cocudakl	NCDEX	Jun	2,759	2,733	2,746	2,758	2,771	2,783	Bearish	Moderate	2752 - 2777
Cotton	NCDEX	July	57,880	57,093	57,487	58,093	58,487	59,093	Bearish	Moderate	57290 - 58290
Dhaniya	NCDEX	Jun	7,456	7,345	7,401	7,489	7,545	7,633	Bearish	Moderate	7373 - 7517
Jeera	NCDEX	Jun	28,475	28,012	28,243	28,612	28,843	29,212	Bearish	Moderate	28128 - 28728
Guar Seed	NCDEX	Jun	5,487	5,447	5,467	5,488	5,508	5,529	Bearish	Moderate	5457 - 5498
Guar Gum	NCDEX	Jun	10,693	10,598	10,645	10,698	10,745	10,798	Bearish	Moderate	10622 - 10722
Mentha Oil	MCX	Jun	920	909	914.40	918	923	927	Bearish	Moderate	916 - 925
Turmeric	NCDEX	Jun	17,872	16,789	17,331	18,089	18,631	19,389	Bearish	Moderate	17060 - 18360

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	72216	71466	71841	72118	72493	72770	Flat	Moderate	71980 - 72632
Gold Comex	Comex	June	2343	2309	2326	2338	2355	2366	Flat	Moderate	2332 - 2361
Silver	MCX	July	94123	92313	93218	94557	95462	96801	Bearish	Moderate	92766 - 95010
Silver Comex	Comex	June	31.53	30.56	31.05	31.66	32.15	32.76	Bullish	Moderate	31 - 32
Crude	MCX	June	6488	6385	6436	6529	6580	6673	Bearish	Moderate	6411 - 6555
Crude Nymex	Nymex	July	77.54	76.27	76.90	77.94	78.57	79.61	Bearish	Moderate	77 - 78
Nat Gas	MCX	June	217	209	213	219	222	228	Bullish	Moderate	211 - 221
BullDex	MCX	May	18891	18692	18792	18876	18976	19060	Bullish	Low	18742 - 18926
Copper	MCX	May	877.20	857	867	881	892	906	Bearish	Moderate	862 - 887
Zinc	MCX	May	270.75	267	269	271	273	276	Bearish	Moderate	268 - 272
Lead	MCX	May	192	190	191	192	193	195	Bearish	Moderate	190 - 193
Aluminum	MCX	May	247.75	241	244	247	250	253	Bullish	Moderate	243 - 249

**Navneet Damani**

**Head Research- Currencies and Commodities**

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Contact Person	Contact No.	Email ID
Ms. Hemang Date	022 40548000 / 022 67490600	<a href="mailto:query@motilaloswal.com">query@motilaloswal.com</a>
Ms. Kumud Upadhyay	022 40548082	<a href="mailto:servicehead@motilaloswal.com">servicehead@motilaloswal.com</a>
Mr. Ajay Menon	022 40548083	<a href="mailto:am@motilaloswal.com">am@motilaloswal.com</a>

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