



Tuesday, June 04, 2024

Overview

- Gold prices rose on weaker than expected US economic data
- Oil extends decline amid concerns that global supply could increase later this year
- This week, PMI figures from major economies will be important to watch for.

Precious Metals

Gold prices rose inched higher as weaker-than-expected U.S. economic data cemented expectations that the Federal Reserve would cut interest rates later this year, sending the dollar and bond yields lower. Ease off in the Geo-political tensions however, capped gains for metals on higher side. Reports suggested that Israel and Hamas were close to entering a U.S.-brokered ceasefire agreement, which could dial down the elevated risk premium in the market. PCE price index data, which is the Federal Reserve's preferred inflation gauge, eased as expected in April. This sparked some bets that the Fed will begin cutting rates in September, with the CME Fed-watch tool now showing a 50% chance of a 25 bps rate cut. Data showed US manufacturing activity and construction spending slowed for second straight month; weighing on Dollar and US Yields which fell to a more than two-week low. Market participants await ADP employment report tomorrow, non-farm payroll data on Friday to gauge the economy's health and if it will deter the Fed from cutting rates in September. Gold on domestic front is expected to between the range of ₹71,700 -72,700.

Precious metals	Close (\$)	%Chg.
Gold	2346.4	-0.2%
Silver	30.69	-0.2%
CFTC data	Speculative Longs	Change WoW
Gold	179221	-14751
Silver	39529	1826
ETF	Close	%Chg.
GOLD ETF	1542.3	0.00
Silver ETF	11413	0.00
Others	Close	%Chg.
DXY	104.14	0.0%
US 10Y Yields	4.41	-2.5%

Base Metals

Base metal prices rebounded after Chinese factory activity posted its strongest reading in almost two years. The Caixin manufacturing purchasing managers index rose to 51.7 in May from 51.4 in April. The move was also supported by supply risks, Taseko Mine suspended operations at its Gibraltar copper mines in Canada due to a strike by union workers. This comes after data last week showed Chile's copper industry is still struggling to maintain current output levels. It recorded its lowest month of copper output in more than a year, with total production in April down 6.7% from March and 1.5% y/y. Comments from Fed officials last week disappointed the market expectations for a rate cut however, lower than expected data from US is increasing the probability of the same. Lower GDP, inflation and few other data points from the US have weighed on Dollar Index, which is hovering around 104 level. Focus this week will be on US jobs market data and the next week will be on Fed policy meeting.

Energy

Oil prices plummeted lower as supply surplus worries increased as OPEC+ announced to gradually phase out voluntary production cuts of 2.2mbpd. OPEC+ decided it will maintain 3.6 million barrels per day of production cuts until the end of the year. The extension of voluntary cuts through the third quarter stands to amplify summertime tightness, but a coalition of eight OPEC+ members scaling back 2.2 million bpd of cuts from the end of September 2024 till October 2025 caused worry. The scaling back of production cuts impacted prices and was a negative sentiment especially if demand did not materialize as the OPEC+ forecast for the coming year. Weak economic activity also spooked markets as purchasing managers index data from the U.S came in lower, which showed manufacturing activity in the country contracted for a second consecutive month in May. Ceasefire negotiations have also cooled off war premiums for oil prices. Natural gas prices rose, driven by growing demand and easing production concerns and forecasts indicate continued high demand due to severe western heat through the first half of June. Today, JOLTs data from the US will be important to watch.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	880	0.0%
Aluminium	2410	-0.5%
Nickel	1702	-0.2%
Lead	192	0.1%
Zinc	262	-0.2%

Inventory		Current	W/W Chg.	Units
Copper	LME	116000	-475	MT
	Shanghai	290376	2878	MT
Aluminum	LME	1113150	-3500	MT
	Shanghai	211698	-12161	MT
Nickel	LME	83724	-6	MT
	Shanghai	19825	-17	MT
Lead	LME	183650	-1750	MT
	Shanghai	62211	13890	MT
Zinc	LME	255925	-1100	MT
	Shanghai	131178	3386	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	76.94	-0.3%
Natural gas	2.72	0.6%

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	201429	29143
Natural Gas	42864	28409

MT- Metric Ton, MNBL – Million Barrel, BCF –Billion Cubic Feet.

Options Monitor

MCX Gold Mini

% Chg in OI	Call			Particulars			Put		
	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI	
0.0%	0	0	2467	69500	127.5	0	0	0.0%	
12.6%	116	46	2264.5	70000	217.5	1957	819	12.7%	
0.0%	0	0	1703.5	70500	307.5	0	0	0.0%	
11.8%	171	968	1387.5	71000	462	2423	718	12.2%	
380.0%	48	121	1036.5	71500	636	200	31	93.8%	
-10.9%	1285	4792	872	72000	887.5	1669	823	-12.0%	
-17.0%	142	304	691	72500	1228.5	2	10	0.0%	
-9.1%	1282	2786	532	73000	1512.5	104	257	-5.5%	
0.0%	1	2	334	73500	1801	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		
	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI	
0.0%	29	44	551.8	5900	51.2	62540	905	20.8%	
0.0%	0	0	502.3	5950	24	0	0	0.0%	
829.2%	827	5821	490.9	6000	73.5	129221	3618	-0.4%	
0.0%	0	0	404.4	6050	89.8	1494	62	0.0%	
5027.6%	1487	16944	417.4	6100	107.8	108088	2567	154.7%	
0.0%	286	3554	310	6150	127.3	34488	857	143.5%	
3844.6%	7613	97524	323.7	6200	150.9	164043	4574	226.9%	
16614.3%	1170	15925	316	6250	177.4	45584	507	16.8%	
605.8%	11399	149354	250.8	6300	207.5	147605	4099	25.7%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		
	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI	
-27.8%	1340	9020	14.6	210	6.4	42341	2431	-20.3%	
-20.4%	3369	54564	9.8	220	10.3	70389	4739	16.2%	
-20.3%	5016	85831	6.55	230	15.8	36140	2118	16.2%	
-41.3%	1307	31754	5.4	235	19.1	7531	258	8.4%	
-3.7%	5019	55290	4.5	240	255	5488	1641	1.2%	
-9.6%	963	16638	3.8	245	26.6	387	121	-6.2%	
-22.4%	5213	40679	3.15	250	30.75	504	667	-8.4%	
-8.5%	4467	25104	2.25	260	38.5	12	120	0.8%	
8.2%	2347	8773	1.6	270	43.4	4	224	0.0%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,641	5,607	5,624	5,647	5,664	5,687	Bearish	Moderate	5616 - 5656
Cocudakl	NCDEX	Jun	2,573	2,538	2,555	2,573	2,590	2,608	Bearish	Moderate	2564 - 2599
Cotton	NCDEX	July	57,580	56,833	57,207	57,433	57,807	58,033	Bearish	Moderate	57320 - 57920
Dhaniya	NCDEX	Jun	7,386	7,322	7,354	7,392	7,424	7,462	Bearish	Moderate	7373 - 7443
Jeera	NCDEX	Jun	24,230	23,457	23,843	24,492	24,878	25,527	Bearish	Moderate	23650 - 24685
Guar Seed	NCDEX	Jun	5,410	5,341	5,376	5,410	5,445	5,479	Bearish	Moderate	5359 - 5428
Guar Gum	NCDEX	Jun	10,787	10,638	10,713	10,808	10,883	10,978	Bearish	Moderate	10676 - 10846
Mentha Oil	MCX	Jun	936	924	930.27	934	940	945	Bullish	High	932 - 942
Turmeric	NCDEX	Jun	18,832	18,345	18,589	18,983	19,227	19,621	Bullish	Moderate	18467 - 19105

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	June	70745	69585	70165	70733	71313	71881	Bearish	Moderate	70449 - 71597
Gold Comex	Comex	June	2299	2269	2284	2293	2307	2316	Bearish	Moderate	2277 - 2300
Silver	MCX	July	79712	78897	79305	79802	80210	80707	Bearish	Moderate	79101 - 80006
Silver Comex	Comex	June	26.57	25.85	26.21	26.61	26.97	27.38	Bearish	Moderate	26 - 27
Crude	MCX	June	6546	6470	6508	6578	6616	6686	Strong	Low	6489 - 6597
Crude Nymex	Nymex	July	77.76	76.63	77.20	78.18	78.75	79.73	Strong	Low	77 - 78
Nat Gas	MCX	June	179	164	172	176	183	188	Bearish	Moderate	174 - 185
BullDex	MCX	May	17846	17615	17731	17850	17966	18085	Bearish	Moderate	17673 - 17908
Copper	MCX	May	855.30	839	847	852	860	865	Bearish	Moderate	850 - 862
Zinc	MCX	May	257.80	253	256	257	259	261	Bearish	Moderate	256 - 260
Lead	MCX	May	192	189	190	191	192	193	Bearish	Moderate	191 - 193
Aluminum	MCX	May	233.30	229	231	233	235	237	Bearish	Moderate	232 - 236

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