



Thursday, June 06, 2024

Overview

- Gold prices inched on signs of cooling US economy and increased rate cut bets
- Oil recovers some gains as rate cut expectations grew
- Copper prices dropped amidst lackluster demand in top consumer China
- Today, ECB monetary policy decision, US weekly jobless claims and natural gas storage will be in focus

Precious Metals

Gold prices inched higher in the yesterday's session but, were stuck to a range seen for nearly two weeks amid continued speculation over when the Federal Reserve will begin cutting interest rates and ambiguity regarding the geo-political tensions. In the previous week, updates regarding Israel attacking Rafah was in the limelight, however now news regarding ceasefire and truce talks is keeping market participants on the edge. Economic data from the US since last month is largely lower than expectations supporting the overall sentiment for a rate cut by the Fed. However, comments from Fed officials have been mixed, majorly waiting for an ease off in inflation which could lead to a delay in rate cut. Bets for a rate cut in the month of September has increased to 56%. On data front, US ADP employment change report was reported lower than expectations at 152K v/s 173K, in this week US JOLTS was also reported lower, supporting an up-move in bullions. Focus today will be on US weekly jobless claims and ECB policy meeting. Gold on domestic front is expected to be between the range of ₹72,300 -73,200.

Precious metals	Close (\$)	%Chg.
Gold	2369.6	0.6%
Silver	30.45	1.5%
CFTC data	Speculative Longs	Change WoW
Gold	179221	-14751
Silver	39529	1826
ETF	Close	%Chg.
GOLD ETF	1552.5	5.68
Silver ETF	11409	0.00
Others	Close	%Chg.
DXY	104.27	-0.2%
US 10Y Yields	4.29	-1.1%

Base Metals

LME Copper prices dipped below the key mark of \$10,000 for the first time in three weeks as consolidation continued due to lackluster demand in top consumer China. Stockpiles on the Shanghai Futures Exchange have climbed to their highest level since 2020, there has also been a steady stream of smaller inflows in London Metal Exchange warehouses located in Asia. While this is likely the result of an attractive arbitrage trade with international prices, it didn't help sentiment. The market also shrugged off recent supply side issues, the suspension of operations at Taseko Mines' Gibraltar copper mine in Canada due to a strike by union workers is expected to be short lived. On data front, China manufacturing PMI at the start of this week was reported in-line with expectations at 51.7; however, Service PMI reported today was better than expectations at 54 supporting the overall sentiment. Softer U.S. economic data has boosted the case for earlier rate cuts by the Federal Reserve, weighing on Dollar and supporting metal on lower end.

Energy

Oil prices rose on fueled expectations of interest rate cuts beginning in September, offsetting recent selloff seen on the back of weaker demand cues caused by growing US inventories and OPEC+ planning to increasing supply. Weaker US labour market data made market participants more optimistic about rate cuts to begin as soon as September along with upcoming widely expected rate cut also pushed up hopes over looser monetary policy. Lower interest rates decrease the cost of borrowing, which can boost oil demand. US crude inventories rose by 1.2mb in the week ending May 31st compared to a draw of 2.1mb. Distillates increased by 3.2 million barrels, exceeding expectations, while gasoline inventories increased by 2.1 million barrels. Even before the travel-heavy summer season began, the overall increase in stocks aroused some concerns about cooling demand in the world's largest fuel consumer. Natural gas prices rose Today, ECB monetary policy decision, US weekly jobless claims and natural gas storage will be in focus.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	876	0.7%
Aluminium	2390	0.1%
Nickel	1632	-2.1%
Lead	190	-0.3%
Zinc	260	-1.3%

Inventory		Current	W/W Chg.	Units
Copper	LME	120000	1050	MT
	Shanghai	290376	2878	MT
Aluminum	LME	1111300	1400	MT
	Shanghai	211698	-12161	MT
Nickel	LME	84720	1206	MT
	Shanghai	19825	-17	MT
Lead	LME	180450	-1500	MT
	Shanghai	62211	13890	MT
Zinc	LME	257650	3050	MT
	Shanghai	131178	3386	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	74.50	0.2%
Natural gas	2.78	6.2%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	455.92	1.23	Mnbl
Gasoline	230.95	2.10	Mnbl
Distillate	122.49	3.20	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		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	0	0	1677.5	70500	192.5	0	0	0.0%	
3.1%	168	247	1388	71000	345	1838	792	8.2%	
23.5%	42	89	1035	71500	481	196	63	28.6%	
-24.0%	1016	4382	851	72000	689.5	2161	742	1.4%	
40.2%	185	659	640.5	72500	963	26	35	52.2%	
-11.4%	1115	2720	484.5	73000	1214	183	286	-3.1%	
0.0%	1	0	261.5	73500	1509.5	0	0	0.0%	
-13.6%	638	1494	284	74000	2324	1	24	0.0%	
0.0%	2	0	107.5	74500	2296	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-8.3%	1472	51295	231.3	6000	46.9	139048	5610	20.8%	
82.2%	164	7964	197.6	6050	61.6	42877	754	104.9%	
14.3%	4358	226089	166.4	6100	77.6	236020	6660	40.1%	
55.3%	1193	79963	138.5	6150	96.5	70435	1782	82.2%	
-2.5%	9046	215489	112.6	6200	118.3	143740	4425	13.0%	
-15.3%	1209	34382	89.6	6250	141.7	11449	396	12.2%	
-4.1%	10827	112686	71.5	6300	172.4	29443	3569	-1.8%	
0.7%	2862	25582	55	6350	201.4	1355	902	-0.4%	
-12.9%	16546	68737	43.3	6400	239.6	6965	6362	-0.9%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
9.0%	410	1922	24.45	200	2.95	38652	5159	50.7%	
-11.9%	1180	10390	17.65	210	5.45	38363	3349	37.8%	
34.2%	4522	67209	12.45	220	8.95	78223	5965	25.9%	
-22.6%	1465	46299	10.55	225	11.3	32287	1305	9.4%	
-5.4%	4747	66569	8.75	230	255	27415	2631	24.2%	
7.0%	1398	22646	7.55	235	17.2	5646	259	0.4%	
7.8%	5409	50804	6.15	240	20.55	3561	1464	-10.8%	
-6.6%	4868	39080	4.3	250	28.3	427	613	-8.1%	
-16.9%	3713	17417	3.05	260	36.85	15	125	4.2%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,700	5,639	5,669	5,695	5,725	5,751	Bearish	Moderate	5654 - 5710
Cocudakl	NCDEX	Jun	2,670	2,489	2,580	2,626	2,717	2,763	Bearish	Moderate	2603 - 2740
Cotton	NCDEX	July	56,960	56,227	56,593	56,887	57,253	57,547	Bearish	Moderate	56740 - 57400
Dhaniya	NCDEX	Jun	7,402	7,299	7,351	7,401	7,453	7,503	Bearish	Moderate	7376 - 7478
Jeera	NCDEX	Jun	29,140	26,853	27,997	28,748	29,892	30,643	Bearish	Moderate	28373 - 30268
Guar Seed	NCDEX	Jun	5,362	5,157	5,259	5,313	5,415	5,469	Bearish	Moderate	5286 - 5442
Guar Gum	NCDEX	Jun	10,487	10,268	10,377	10,443	10,552	10,618	Bearish	Moderate	10410 - 10585
Mentha Oil	MCX	Jun	909	901	904.87	909	913	918	Flat	Moderate	903 - 911
Turmeric	NCDEX	Jun	17,244	15,705	16,475	17,137	17,907	18,569	Bearish	Moderate	16806 - 18238

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	72088	71015	71551	72037	72573	73059	Flat	Moderate	71283 - 72305
Gold Comex	Comex	June	2354	2317	2335	2345	2364	2373	Flat	Moderate	2340 - 2368
Silver	MCX	July	90444	88315	89379	89977	91041	91639	Bearish	Moderate	89678 - 91340
Silver Comex	Comex	July	30.07	29.27	29.67	29.93	30.33	30.59	Bearish	Moderate	30 - 30
Crude	MCX	June	6190	6037	6114	6155	6232	6273	Bearish	Moderate	6135 - 6253
Crude Nymex	Nymex	July	73.82	72.15	72.98	73.53	74.36	74.91	Bearish	Moderate	73 - 75
Nat Gas	MCX	June	228	213	221	225	233	238	Bullish	High	223 - 235
BullDex	MCX	June	18718	18484	18601	18663	18780	18842	Bearish	Moderate	18632 - 18811
Copper	MCX	June	869.65	852	861	866	875	880	Bearish	Moderate	863 - 878
Zinc	MCX	June	258.35	254	256	259	261	264	Bearish	Moderate	255 - 260
Lead	MCX	June	190	187	188	190	191	193	Bearish	Moderate	187 - 190
Aluminum	MCX	June	239.10	236	238	239	240	242	Bearish	Moderate	237 - 240

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