



Friday, June 07, 2024

Overview

- ECB cut interest rates by 25bps but raised forecasts of inflation
- Initial jobless claims rose, supporting gold and silver prices along with heightened geo-political tensions
- Today, US unemployment rate and nonfarm payrolls will be widely eyed on.

Precious Metals

Silver prices rallied by more than 3% and Gold was up by around 1% in the previous session, on the back of positive economic data points from China supporting industrial metals and safe haven buying amidst rise in geo-political tensions. An Israeli airstrike in central Gaza killed dozens of people (civilians) at a U.N. school complex that had become a shelter for thousands of displaced Palestinians. There were talks about ceasefire with the intervention of US in middle east however that deal could pass through, this on and off scenario from Israel regarding the whole geo-political tensions is keeping the market participants on the edge. On data front, US ADP employment change, jobless claims, and JOLTS this week were supportive for bullions showing some ease off in the US labour market. Focus now shifts to US non-farm payroll and unemployment rate scheduled later today, if the data is reported lower than expectations it could add gains in bullions. Fed officials in the previous week were quite active preparing the market for a delay in rate cut as more evidence regarding ease off in inflation is required. Gold on domestic front is expected to be between the range of ₹72,700 -73,500.

| Precious metals | Close (\$) | %Chg. |
|-----------------|-------------------|------------|
| Gold | 2380.2 | 0.2% |
| Silver | 31.34 | 0.1% |
| CFTC data | Speculative Longs | Change WoW |
| Gold | 179221 | -14751 |
| Silver | 39529 | 1826 |
| ETF | Close | %Chg. |
| GOLD ETF | 1552.3 | -0.22 |
| Silver ETF | 11409 | 0.00 |
| Others | Close | %Chg. |
| DXY | 104.10 | 0.0% |
| US 10Y Yields | 4.30 | -0.2% |

Base Metals

Copper inched higher in the previous session, recovering from the fall witnessed in the past week, amidst fall in Dollar index, supply tightness, better than expected data from China. This week most of the data from US were reported lower than expectations weighing on Dollar, even after a ECB cutting its rates for the first time in five years Dollar index did not flinch and is hovering ~104. China Services PMI was reported better than expectations at 54 supporting the overall sentiment for metal prices. Expectations regarding further boost by PBoC in order to support the economy is also cushioning the prices on lower end. On other hand, recent surge in copper prices have weighed on the overall demand in China, stockpiles in SHFE warehouses have climbed above 300kt, their highest level since 2020. The market also assessing recent supply side issues, the suspension of operations at Taseko Mines' Gibraltar copper mine in Canada due to a strike by union workers. Focus now shifts to US jobs market data scheduled later today.

Energy

Oil prices rose more than 2%, extending its mid-week rebound amidst after OPEC+ members Saudi Arabia and Russia showed willingness to pause or reverse supply cuts, while an interest rate cut in Europe heightened the probability of a similar move in the US by the Fed coupled with weak US data. Russian Deputy Prime Minister Alexander Novak, Saudi Energy Minister Prince Abdulaziz bin Salman said OPEC+ can pause or reverse voluntary output increases if it decides the market is not strong enough. The comments come after the OPEC+ over the weekend said it will maintain 3.6 million barrels per day of cuts until end-2024. The European Central Bank went ahead with its first interest rate cut since 2019 which sparked optimism for oil demand. Natural gas prices rose, despite EIA reporting a bigger-than-expected storage build. US utilities added 98 bcf of gas into storage last week, above market expectations of an 89 bcf increase. Warmer weather forecasts are supporting prices as meteorologists expect warmer-than-normal weather through June 21.

| Base Metals (MCX) | Close (Rs.) | %Chg. |
|-------------------|-------------|-------|
| Copper | 880 | 1.4% |
| Aluminium | 2410 | 1.1% |
| Nickel | 1609 | -1.5% |
| Lead | 190 | 0.0% |
| Zinc | 262 | 1.3% |

| Inventory | | Current | W/W Chg. | Units |
|-----------|----------|---------|----------|-------|
| Copper | LME | 122200 | 2200 | MT |
| | Shanghai | 321695 | 20731 | MT |
| Aluminum | LME | 1107500 | -3800 | MT |
| | Shanghai | 217785 | 2839 | MT |
| Nickel | LME | 84756 | 36 | MT |
| | Shanghai | 19825 | -17 | MT |
| Lead | LME | 182550 | 2100 | MT |
| | Shanghai | 59802 | 4589 | MT |
| Zinc | LME | 260775 | 3125 | MT |
| | Shanghai | 129141 | 58 | MT |

| Energy | Close (\$) | %Chg. |
|---------------|------------|-------|
| WTI Crude oil | 75.66 | 0.0% |
| Natural gas | 2.84 | 2.3% |

| 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 | | |
|-------------|------|--------|---------|--------------|---------|--------|------|-------------|--|
| | OI | Volume | Premium | Strike | Premium | Volume | OI | % Chg in OI | |
| 9.5% | 184 | 362 | 1665 | 71000 | 178 | 1751 | 886 | 11.9% | |
| 0.0% | 42 | 1 | 1307 | 71500 | 277 | 103 | 72 | 14.3% | |
| -17.3% | 840 | 2822 | 1047.5 | 72000 | 399.5 | 3825 | 1020 | 37.5% | |
| -27.0% | 135 | 950 | 805.5 | 72500 | 584.5 | 582 | 112 | 220.0% | |
| 6.3% | 1185 | 7980 | 591.5 | 73000 | 809.5 | 2046 | 416 | 45.5% | |
| 0.0% | 1 | 0 | 368 | 73500 | 1101.5 | 0 | 0 | 0.0% | |
| 18.2% | 754 | 3519 | 328 | 74000 | 1368.5 | 93 | 89 | 270.8% | |
| 0.0% | 2 | 0 | 159 | 74500 | 1796.5 | 0 | 0 | 0.0% | |
| 4.5% | 515 | 1306 | 189.5 | 75000 | 2201 | 0 | 0 | 0.0% | |

MCX Crude Oil

| % Chg in OI | Call | | | Particulars | | | Put | | |
|-------------|-------|--------|---------|-------------|---------|--------|-------|-------------|--|
| | OI | Volume | Premium | Strike | Premium | Volume | OI | % Chg in OI | |
| -49.8% | 2187 | 79603 | 168.2 | 6100 | 31.4 | 140185 | 6449 | -3.2% | |
| -46.7% | 636 | 38729 | 138.2 | 6150 | 39.3 | 75594 | 2628 | 47.5% | |
| -44.8% | 4996 | 274796 | 110.3 | 6200 | 52.8 | 281147 | 10367 | 134.3% | |
| -9.2% | 1098 | 92678 | 85.4 | 6250 | 68.3 | 68519 | 2293 | 479.0% | |
| -29.7% | 7611 | 236547 | 65.2 | 6300 | 88.4 | 172181 | 6842 | 91.7% | |
| -15.2% | 2428 | 61390 | 48.2 | 6350 | 110.2 | 18250 | 951 | 5.4% | |
| -23.4% | 12678 | 141825 | 36.4 | 6400 | 137.8 | 60108 | 5354 | -15.8% | |
| -2.2% | 4804 | 33783 | 26.2 | 6450 | 167.1 | 3430 | 1429 | -0.3% | |
| -18.0% | 16543 | 88537 | 22.1 | 6500 | 206.2 | 13091 | 3008 | -10.2% | |

MCX Natural Gas

| % Chg in OI | Call | | | Particulars | | | Put | | |
|-------------|------|--------|---------|-------------|---------|--------|------|-------------|--|
| | OI | Volume | Premium | Strike | Premium | Volume | OI | % Chg in OI | |
| -5.1% | 389 | 243 | 30.9 | 200 | 2.3 | 25731 | 6002 | 16.3% | |
| -11.6% | 1043 | 3669 | 23.6 | 210 | 4.2 | 30749 | 3861 | 15.3% | |
| -7.3% | 4191 | 24401 | 17.05 | 220 | 7.1 | 54159 | 7028 | 17.8% | |
| -30.0% | 1026 | 17790 | 14.45 | 225 | 9.15 | 35428 | 1849 | 41.7% | |
| -17.4% | 3922 | 70845 | 12.2 | 230 | 255 | 78498 | 3714 | 41.2% | |
| -2.9% | 1357 | 43741 | 10.4 | 235 | 14.3 | 33351 | 1000 | 286.1% | |
| -0.3% | 5394 | 73890 | 8.8 | 240 | 17.2 | 31840 | 1474 | 0.7% | |
| -11.2% | 4325 | 54632 | 6.35 | 250 | 23.85 | 5356 | 655 | 6.9% | |
| -8.2% | 3410 | 35999 | 4.4 | 260 | 32.9 | 150 | 118 | -5.6% | |

Level Playing Sheet

| Commodity | Exch. | Expiry | Close | S2 | S1 | Pivot | R1 | R2 | Trend | Conviction | Intraday Range |
|--------------------|-------|--------|--------|--------|--------|--------|--------|--------|---------|------------|----------------|
| Castor Seed | NCDEX | Jun | 5,712 | 5,683 | 5,697 | 5,709 | 5,723 | 5,735 | Bearish | Moderate | 5703 - 5729 |
| Cocudakl | NCDEX | Jun | 2,676 | 2,645 | 2,660 | 2,673 | 2,688 | 2,701 | Bearish | Moderate | 2667 - 2695 |
| Cotton | NCDEX | July | 56,900 | 56,460 | 56,680 | 56,840 | 57,060 | 57,220 | Bearish | Moderate | 56570 - 56950 |
| Dhaniya | NCDEX | Jun | 7,436 | 7,376 | 7,406 | 7,430 | 7,460 | 7,484 | Bearish | Moderate | 7418 - 7472 |
| Jeera | NCDEX | Jun | 29,610 | 28,490 | 29,050 | 29,525 | 30,085 | 30,560 | Bearish | Moderate | 29288 - 30323 |
| Guar Seed | NCDEX | Jun | 5,380 | 5,301 | 5,341 | 5,370 | 5,410 | 5,439 | Bearish | Moderate | 5356 - 5425 |
| Guar Gum | NCDEX | Jun | 10,501 | 10,354 | 10,427 | 10,489 | 10,562 | 10,624 | Bearish | Moderate | 10391 - 10526 |
| Mentha Oil | MCX | Jun | 916 | 902 | 909.23 | 914 | 921 | 926 | Flat | Moderate | 912 - 924 |
| Turmeric | NCDEX | Jun | 17,330 | 16,943 | 17,137 | 17,269 | 17,463 | 17,595 | Flat | Moderate | 17203 - 17529 |

| Commodity | Exch. | Expiry | Close | S2 | S1 | Pivot | R1 | R2 | Trend | Conviction | Intraday Range |
|---------------------|-------|--------|--------|-------|-------|-------|-------|-------|---------|------------|----------------|
| Gold | MCX | Aug | 73131 | 72356 | 72743 | 73026 | 73413 | 73696 | Bullish | Moderate | 72885 - 73555 |
| Gold Comex | Comex | June | 2370 | 2346 | 2358 | 2367 | 2379 | 2388 | Bullish | High | 2363 - 2383 |
| Silver | MCX | July | 93816 | 89791 | 91803 | 92852 | 94864 | 95913 | Bullish | High | 92328 - 95389 |
| Silver Comex | Comex | July | 31.37 | 29.56 | 30.46 | 30.97 | 31.87 | 32.37 | Bullish | High | 31 - 32 |
| Crude | MCX | June | 6326 | 6146 | 6236 | 6284 | 6374 | 6422 | Flat | Moderate | 6260 - 6398 |
| Crude Nymex | Nymex | July | 75.24 | 73.19 | 74.22 | 74.84 | 75.87 | 76.49 | Flat | Moderate | 75 - 76 |
| Nat Gas | MCX | June | 234 | 222 | 228 | 234 | 240 | 246 | Bullish | High | 231 - 243 |
| BullDex | MCX | June | 19017 | 18693 | 18855 | 18952 | 19114 | 19211 | Bullish | High | 18904 - 19163 |
| Copper | MCX | June | 881.80 | 868 | 875 | 879 | 886 | 890 | Flat | Moderate | 877 - 888 |
| Zinc | MCX | June | 261.80 | 257 | 260 | 261 | 263 | 264 | Flat | Moderate | 260 - 264 |
| Lead | MCX | June | 190 | 188 | 189 | 190 | 191 | 192 | Bearish | Moderate | 189 - 190 |
| Aluminum | MCX | June | 241.65 | 238 | 240 | 241 | 243 | 244 | Bullish | Moderate | 241 - 244 |

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