



Tuesday, June 11, 2024

## Overview

- China resumes after Dragon Boat Festival holiday
- Gold prices tumbled amidst renewed strength in dollar
- Oil extended rally on potential US SPR buying
- Focus this week will be on US CPI and Fed policy meeting

## Precious Metals

Fall in both gold and silver continues after a start of the week, on the back of higher dollar and further delay in rate cut expectations. US unemployment rate was reported 0.1% higher however, non-farm payroll data surprised the market as 272k job additions were reported against expectations of 182k. This tightness in the labour market weighed on bullions, and also dented the market expectations for a rate cut by Fed in September. Bets for rate cut fell significantly from 55% in the month of September to 43%, expectation for rate cut is slowly shifting to the month November from September. After a sharp sell off on last Friday, relief rally was seen however ambiguity regarding rate cuts and strong jobs data weighed on prices. Updates regarding China putting a halt in their 18-month long gold buying has also weighed on the sentiment; however, any updates regarding buying gold lower levels by China could once again cushion the prices. Market participants are cautious ahead of the US CPI and Fed policy meeting scheduled later this week. Gold on domestic front is expected to be between the range of ₹70,700 - 71,800.

Precious metals	Close (\$)	%Chg.
Gold	2301.9	-0.4%
Silver	29.14	-2.1%
CFTC data	Speculative Longs	Change WoW
Gold	180761	1540
Silver	35801	-3728
ETF	Close	%Chg.
GOLD ETF	1949.3	379.68
Silver ETF	24575	13156.27
Others	Close	%Chg.
DXY	105.15	0.0%
US 10Y Yields	4.45	0.9%

## Base Metals

Copper led the base metals higher amid signs of strong demand. China's commodity imports continued to defy concerns of weaker demand. Imports rose in key commodities despite elevated inventories. Exports continued to hold up well for aluminium and steel, though there have been concerns of increasing external trade conflicts over the past few months. Refined copper imports rose 15.7% y/y to above 500kt despite higher inventories. Aluminium prices remain well supported as the market faces a plethora of supply side issues, while demand is showing signs of improvement. On other hand, rising inventories in warehouses monitored by the Shanghai Futures Exchange (ShFE), copper stocks have reached four-year highs of 336,964 tons, compared with about 30,000 tons in January. Better than expected US jobs number supported an up-move in Dollar Index weighing capping gains for metal prices. Updates regarding further delay in Fed interest rate cut also has weighed on the sentiment.

## Energy

Oil prices rallied in the yesterday's session, amidst updates regarding additional sanctions on Iran's shipping sector by US, hopes of higher seasonal fuel demand and potential U.S. crude purchases for its petroleum reserve. The US Treasury sanctioned ten individuals, entities, and vessels that have engaged in the illicit transport of oil. Prices climbed about 3% to a one-week high yesterday, buoyed by expectations of rising fuel demand this summer despite dollar's climb on expectations the U.S. Federal Reserve will leave interest rates higher for longer. The U.S. could hasten rate of replenishing Strategic Petroleum Reserve as maintenance on the stockpile is completed by the end of the year, Energy Secretary Jennifer Granholm mentioned in the comments. Last week's decision by OPEC to open the door to higher output was also reassessed by the market, this follows comments from the group that it retains the option to pause or reverse production changes if necessary. Market participants this week will focus on U.S. consumer price index data for May and the conclusion of the Fed's two-day policy meeting for hints on when the Fed may start reducing interest rates.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	863	1.4%
Aluminium	236 <sup>P</sup>	1.1%
Nickel	1550	-1.0%
Lead	189	-1.0%
Zinc	256	1.3%

Inventory		Current	W/W Chg.	Units
Copper	LME	125325	1525	MT
	Shanghai	336964	15269	MT
Aluminum	LME	1100000	-3500	MT
	Shanghai	226582	8797	MT
Nickel	LME	85578	-24	MT
	Shanghai	22131	159	MT
Lead	LME	187575	2250	MT
	Shanghai	63959	4157	MT
Zinc	LME	259950	-875	MT
	Shanghai	127153	-1988	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	77.61	-0.6
Natural gas	3.04	-0.4

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	152342	-49087
Natural Gas	16847	-26017

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	2096	69500	222.5	0	0	0.0%	
98.4%	242	450	1662.5	70000	295.5	5312	1245	2.6%	
0.0%	1	1	1394.5	70500	495	0	0	0.0%	
113.2%	891	5265	1000	71000	642.5	4048	1262	6.0%	
40.1%	241	689	785	71500	882.5	266	79	-22.5%	
9.9%	2096	4445	589	72000	1182.5	773	1065	0.5%	
-10.6%	202	226	451	72500	1810.5	6	91	-5.2%	
11.6%	2308	3211	358	73000	1996.5	135	402	-4.5%	
100.0%	2	1	236.5	73500	2652	5	6	0.0%	

## MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-43.6%	907	32933	129.1	6250	17.6	59951	2731	67.6%	
-46.1%	4881	264221	99.9	6300	22.8	324599	14602	109.4%	
-76.0%	845	137091	76.5	6350	31.7	119681	4148	234.0%	
-50.8%	6896	311475	55.8	6400	44.1	273631	12145	124.0%	
-18.1%	4008	114910	39.4	6450	61.8	50012	3023	112.7%	
-31.9%	12615	226895	30	6500	86.2	129341	5879	71.5%	
-31.4%	2283	45412	20.2	6550	113.4	12068	1314	-0.8%	
-34.9%	12708	99609	15	6600	149.5	24699	2620	43.1%	
-6.1%	3576	17435	10.9	6650	186.9	1483	264	-13.7%	

## MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.3%	1025	131	39	210	2.35	11573	4163	0.6%	
-4.9%	3943	2207	30.4	220	3.95	27275	7771	-8.7%	
-6.2%	2738	8990	23.4	230	6.75	54998	5756	14.2%	
-32.8%	927	7253	20.3	235	8.85	27107	2641	21.0%	
-10.9%	3499	29352	17.55	240	255	62699	3258	12.0%	
41.7%	1264	24161	15.25	245	14.1	32618	1673	126.4%	
55.9%	5421	76657	12.95	250	17	72139	3056	219.7%	
43.1%	4519	74671	9.35	260	23.75	25708	1839	739.7%	
0.5%	2619	47311	6.9	270	31.7	5040	215	-4.4%	

## Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,768	5,732	5,750	5,775	5,793	5,818	Bearish	Moderate	5741 - 5784
Cocudakl	NCDEX	Jun	2,692	2,650	2,671	2,697	2,718	2,744	Bearish	Moderate	2661 - 2708
Cotton	NCDEX	July	56,140	55,593	55,867	56,333	56,607	57,073	Bearish	Moderate	55730 - 56470
Dhaniya	NCDEX	Jun	7,410	7,334	7,372	7,422	7,460	7,510	Bearish	Moderate	7353 - 7441
Jeera	NCDEX	Jun	28,735	27,882	28,308	28,627	29,053	29,372	Bearish	Moderate	28095 - 28840
Guar Seed	NCDEX	Jun	5,396	5,367	5,381	5,403	5,417	5,439	Bearish	Moderate	5374 - 5410
Guar Gum	NCDEX	Jun	10,540	10,447	10,493	10,557	10,603	10,667	Bearish	Moderate	10470 - 10580
Mentha Oil	MCX	Jun	911	904	907.00	913	916	922	Bearish	Moderate	905 - 915
Turmeric	NCDEX	Jun	17,676	17,192	17,434	17,792	18,034	18,392	Bearish	Moderate	17313 - 17913

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	71438	70487	70963	71226	71702	71965	Bearish	Moderate	71095 - 71834
Gold Comex	Comex	June	2308	2284	2296	2303	2315	2321	Bearish	Moderate	2299 - 2318
Silver	MCX	July	90022	88421	89221	89701	90501	90981	Bearish	Moderate	89461 - 90741
Silver Comex	Comex	July	29.87	28.97	29.42	29.68	30.13	30.38	Bearish	Moderate	30 - 30
Crude	MCX	June	6486	6225	6356	6424	6555	6623	Strong	Moderate	6390 - 6589
Crude Nymex	Nymex	July	77.33	73.80	75.56	76.71	78.47	79.62	Strong	Low	76 - 79
Nat Gas	MCX	June	243	229	236	247	254	265	Bullish	Moderate	233 - 251
BullDex	MCX	June	18493	18302	18397	18458	18553	18614	Bearish	Moderate	18428 - 18584
Copper	MCX	June	862.95	845	854	860	869	874	Bearish	Moderate	857 - 872
Zinc	MCX	June	256.15	244	250	253	260	263	Bearish	Moderate	252 - 261
Lead	MCX	June	189	186	188	189	190	191	Bearish	Moderate	188 - 191
Aluminum	MCX	June	235.80	232	234	235	237	238	Bearish	Moderate	234 - 238

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