



Thursday, June 13, 2024

Overview

- US Inflation falls to 3.3% in May
- Fed signals one rate cut before the end of 2024
- Oil prices dip after surprise build in US inventories
- Focus today will be on US PPI and weekly jobless claims

Precious Metals

Gold and Silver prices rallied post the US inflation data but failed to sustain above, after hawkish comments from Governor Powell in the Fed meet yesterday. Market participants were cautious ahead of two important events which triggered sharp volatility in the market. US inflation fell to 3.3% in May against expectations of 3.4% raising expectations of early interest rate cuts, the month-on-month headline inflation was zero, while the core figure edged up just 0.2%. Dollar Index and US 10Y Yields fell significantly post the inflation data as the rate cut expectations for September increased. In the Fed policy meeting, Federal Reserve officials have signaled that they intend to cut interest rates just once by the end of 2024, as the US central bank left borrowing costs on hold at a 23-year high of between 5.25% and 5.5%. There was no change in the projections for growth this year however, inflation forecast was revised higher. Governor Powell agreed that the inflation was easing towards their target of 2% however, labour market is still tight and more evidence is required regarding Inflation. Focus today will be on US PPI and jobless claims data. Gold on domestic front is expected to be between the range of ₹71,000 -72,000.

Precious metals	Close (\$)	%Chg.
Gold	2314.1	-0.4%
Silver	29.08	-2.1%
CFTC data	Speculative Longs	Change WoW
Gold	180761	1540
Silver	35801	-3728
ETF	Close	%Chg.
GOLD ETF	1942.5	-6.20
Silver ETF	24790	79.55
Others	Close	%Chg.
DX	104.65	0.1%
US 10Y Yields	4.31	-2.5%

Base Metals

Copper prices in yesterday's session, bounced and the dollar tumbled after cooler-than-expected U.S. inflation data boosted expectations that the Federal Reserve could cut interest rates as soon as September. However, post Fed meeting sentiments changed as, US central bank kept interest rate unchanged and showed possibility of just one rate cut in this year. Fed kept growth forecast unchanged for this year, but raised inflation forecast which increased concerns for a delay in rate cut and supported an up-move in Dollar Index. On other hand, China's consumer inflation held steady in May while producer price declines eased, but the underlying trend suggests Beijing would need to do more to prop up feeble domestic demand and an uneven economic recovery. High inventory levels in SHFE warehouses pointed to a lacklustre buying appetite; Copper inventory remained at a four-year high of 336,964 tonnes in warehouses monitored by ShFE. China's imports of copper ores and concentrates fell 11% y/y in May, while import volumes of refined copper were up 15.7% y/y in May.

Energy

Oil prices fell in early morning trade as investors digested news that the U.S. Federal Reserve has opted against cutting interest rates in the near future, while ample U.S. crude and fuel stocks further weighed on the market. US CPI data supported an up-move in prices however bearish EIA inventory report and Fed meeting capped gains on higher side. US commercial stockpiles of crude oil unexpectedly rose 3,730kbbls last week, the build up was partly driven by a surge in US imports, which hit a six year high of 8.3mb/d. In the driving season as well, Gasoline and distillate inventories also rose, which further increased concerns. The Federal Reserve held interest rates steady and pushed out the start of rate cuts to perhaps as late as December, supporting Dollar Index. Increased Geo-political tensions, higher demand expectations by OPEC, EIA and IEA is cushioning the prices on lower level. However, it is important to note even though EIA has increased the demand forecast, it still continues to believe that overall supply will remain higher. Focus today will be on US PPI and Natural Gas storage data.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	867	-0.6%
Aluminium	2360	-1.2%
Nickel	15223	-0.3%
Lead	188	0.3%
Zinc	260	-1.5%

Inventory		Current	W/W Chg.	Units
Copper	LME	127425	100	MT
	Shanghai	336964	15269	MT
Aluminum	LME	1092550	-3700	MT
	Shanghai	226582	8797	MT
Nickel	LME	85728	78	MT
	Shanghai	21790	-341	MT
Lead	LME	190250	1625	MT
	Shanghai	63959	4157	MT
Zinc	LME	257900	-1450	MT
	Shanghai	127153	-1988	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	78.18	-0.3%
Natural gas	3.05	-2.8%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	459.65	3.75	Mnbl
Gasoline	233.51	2.57	Mnbl
Distillate	123.37	0.88	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%	40	20	2485.5	69000	75	674	360	-1.6%	
0.0%	0	0	2021	69500	98.5	0	0	0.0%	
3.5%	265	244	1619.5	70000	173	3232	1380	-0.2%	
0.0%	1	0	1250	70500	273.5	0	0	0.0%	
-30.0%	551	2901	1022.5	71000	411.5	4284	1309	-3.8%	
-54.9%	256	2719	803	71500	621	1057	144	33.3%	
-10.8%	1923	8975	602.5	72000	875.5	2131	988	-8.3%	
41.3%	267	684	430	72500	1194.5	83	81	-10.0%	
-1.2%	2259	4811	347.5	73000	1563	141	389	-2.3%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-61.2%	1203	15466	236.9	6300	4.7	47919	10536	-14.7%	
-1.8%	667	10293	191.8	6350	7.8	21768	2560	-24.8%	
-22.1%	3897	73532	149.6	6400	11	125074	11691	0.0%	
-28.2%	2876	43125	113.2	6450	15.5	91659	4335	-1.5%	
-17.7%	11017	279143	83.5	6500	176	5147	1410	-85.9%	
-3.3%	2865	169649	58.5	6550	44.9	160862	3446	108.1%	
0.4%	12476	398138	39.2	6600	67.7	324614	8355	133.2%	
37.7%	5497	132972	24.1	6650	98	48417	1706	574.3%	
14.3%	11535	149199	13.8	6700	137.7	84563	3133	109.6%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-1.5%	3843	900	38	220	1.15	16545	9505	-2.5%	
-7.2%	2437	3299	29.35	230	2.6	23522	6778	-17.3%	
8.5%	2465	17914	21.8	240	5.55	48574	5533	13.1%	
5.9%	612	12353	18.65	245	7.55	25751	1804	-1.9%	
4.8%	4506	54380	15.55	250	255	79051	4261	-16.2%	
14.4%	2055	58372	13.05	255	12.9	48111	1283	3.4%	
52.6%	6524	107025	10.85	260	16	74619	2970	50.8%	
42.1%	3932	51720	7.3	270	23.1	12957	334	3.7%	
34.0%	4224	38232	4.9	280	30.8	3904	50	614.3%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,759	5,701	5,730	5,749	5,778	5,797	Bearish	Moderate	5740 - 5788
Cocudakl	NCDEX	Jun	2,709	2,686	2,697	2,714	2,725	2,742	Bearish	Moderate	2692 - 2720
Cotton	NCDEX	July	56,220	55,807	56,013	56,207	56,413	56,607	Bearish	Moderate	56110 - 56510
Dhaniya	NCDEX	Jun	7,426	7,349	7,387	7,429	7,467	7,509	Bearish	Moderate	7408 - 7488
Jeera	NCDEX	Jun	28,760	27,627	28,193	28,567	29,133	29,507	Bearish	Moderate	28380 - 29320
Guar Seed	NCDEX	Jun	5,399	5,341	5,370	5,409	5,438	5,477	Bearish	Moderate	5356 - 5424
Guar Gum	NCDEX	Jun	10,583	10,450	10,517	10,579	10,646	10,708	Bearish	Moderate	10484 - 10613
Mentha Oil	MCX	Jun	921	903	911.93	920	929	937	Bullish	High	916 - 933
Turmeric	NCDEX	Jun	17,842	17,325	17,583	17,867	18,125	18,409	Flat	Moderate	17454 - 17996

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	71970	71103	71537	71854	72288	72605	Flat	Moderate	71696 - 72447
Gold Comex	Comex	June	2336	2300	2318	2328	2346	2357	Flat	Moderate	2323 - 2352
Silver	MCX	July	90445	87895	89170	90180	91455	92465	Flat	Moderate	89675 - 91960
Silver Comex	Comex	July	30.27	28.89	29.58	29.97	30.65	31.04	Flat	Moderate	30 - 31
Crude	MCX	June	6577	6454	6515	6569	6630	6684	Strong	Moderate	6542 - 6657
Crude Nymex	Nymex	July	78.15	76.84	77.49	78.22	78.87	79.60	Strong	Low	78 - 79
Nat Gas	MCX	June	253	244	248	255	259	266	Bullish	Moderate	246 - 257
BullDex	MCX	June	18640	18344	18492	18588	18736	18832	Flat	Moderate	18540 - 18784
Copper	MCX	June	867.20	850	858	868	876	886	Flat	Moderate	854 - 872
Zinc	MCX	June	260.20	250	255	258	263	267	Flat	Moderate	257 - 265
Lead	MCX	June	188	186	187	188	189	189	Bearish	Moderate	187 - 189
Aluminum	MCX	June	235.50	230	233	235	237	239	Bearish	Moderate	234 - 238

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