



Tuesday, June 18, 2024

Overview

- Gold prices steady ahead of hawkish comments and lingering geopolitical risk
- Oil holds gains on positive demand outlook
- Base metals lower on persistent weakness in Chinese economy

Precious Metals

Gold and silver prices traded steady in yesterday's session as on one end, hawkish comments from Fed official is weighing on prices while, on other Geo-political tension is keeping risk premium high. U.S. Treasury yields rose, with the 10-year note coming off its biggest weekly drop of the year in response to inflation data that boosted hopes the Fed would be able to cut rates by at least 25 bps in September. Bets for a rate cut in September has also not changed much as it continues to hover around ~60% rising from 45% a week back, post US CPI data. Philadelphia Fed President Patrick Harker said the central bank would be able to cut rates one time this year should his forecast play out. Similarly, few other fed officials also mentioned that they are okay to keep the rates where they are and look at the data as they are being reported ahead. Economic data showed manufacturing activity in New York improved in June, but remained in contraction territory with a reading of -6 against the expectations of -12.50. Focus this week will be on preliminary manufacturing and Services PMI from major economies, US Retail sales data and BOE policy meeting. Gold on domestic front is expected to between the range of ₹70,800 -71,800.

Precious metals	Close (\$)	%Chg.
Gold	2324.6	0.2%
Silver	29.52	0.1%
CFTC data	Speculative Longs	Change WoW
Gold	177549	-3212
Silver	29600	-6201
ETF	Close	%Chg.
GOLD ETF	1931.3	7.05
Silver ETF	24792	-22.73
Others	Close	%Chg.
DXY	105.32	0.1%
US 10Y Yields	4.27	1.5%

Base Metals

Base metal prices traded lower after Chinese economic data highlight persistent weakness in its economy. Industrial production rose 5.6% y/y in May, slowing from April and missing market expectations. Growth in fixed asset investment also slowed, coming in at 4% in January-May against 4.2% in the first four months. The only bright spot was an acceleration in retail sales for the first time since November. However, at 3.7% the pace remains less than half of the 8% growth that was typical before the pandemic. Aluminium dropped to a two-month low after data showed China's production hit a record high of 3.65mt in May. Smelters brought idled capacity back online after heavy rains in Yunnan improved hydropower reserves, which was a major concern few months back. There was also a major inflow for lead, with 9,600 tons going into Singapore sheds, sending inventories to a four-week high after shrinking by more than a third since April. China's home prices fell at a faster pace in May, despite recent efforts to support the property market. The PBoC held a meeting last week to promote its relending policies for affordable housing and encourage state-owned companies to buy unsold homes.

Energy

Oil prices rose almost 2% in previous session as investors grew more optimistic on the demand outlook. Oil prices rose after reports from the OPEC+ producer group, the IEA, and EIA reinforced expectations that oil demand would strengthen in the second half of the year, allowing stockpiles to fall. Reassurances from OPEC+ that a plan to raise supplies from the fourth quarter of this year could be paused or reversed based on market conditions also helped prices firm. Hedge funds and other money managers bought the equivalent of 80 million barrels in the six most important petroleum futures and options contracts over the seven days ending on June 11. Prices are also supported on growing concerns of a wider Middle East war, after the Israeli military said that intensified cross-border fire from Lebanon's Hezbollah movement into Israel could trigger serious escalation. Natural gas prices dropped for a fourth consecutive session as expectations of increased production outweighed the surge in demand. The recent start of operations for the Mountain Valley Pipeline on June 11 is expected to contribute to the rise in supplies, with the pipeline facilitating the transportation of up to 2 bcf per day of natural gas from West Virginia to Virginia.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	850	0.1%
Aluminium	2320	-0.5%
Nickel	1476	-0.6%
Lead	188	0.4%
Zinc	258	-1.8%

Inventory		Current	W/W Chg.	Units
Copper	LME	136675	2750	MT
	Shanghai	330753	-6211	MT
Aluminum	LME	1073950	-5100	MT
	Shanghai	224303	-2279	MT
Nickel	LME	87744	264	MT
	Shanghai	21251	-184	MT
Lead	LME	206300	9575	MT
	Shanghai	65584	1625	MT
Zinc	LME	250950	-3250	MT
	Shanghai	125408	-1745	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	80.19	-0.4%
Natural gas	2.80	-3.3%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	459.65	3.73	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	192735	40393
Natural Gas	40984	24137

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	2276.5	69500	94.5	0	0	0.0%	
-3.4%	286	160	1757.5	70000	83.5	2329	2348	-1.6%	
0.0%	1	0	1454.5	70500	304.5	0	1	0.0%	
47.4%	970	3054	989	71000	369.5	4825	1450	-38.6%	
72.6%	466	2521	714.5	71500	602.5	1730	310	11.5%	
51.9%	3872	8325	494	72000	916.5	1794	950	-13.6%	
19.3%	358	311	340	72500	1336.5	56	91	12.3%	
24.9%	2683	3177	239.5	73000	1767	75	374	-0.3%	
0.0%	2	0	151.5	73500	2270	0	6	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-88.0%	360	5455	276.9	6400	93.7	25057	2592	-71.6%	
-99.4%	8	16	214.9	6450	110.4	1954	229	-94.0%	
-63.2%	2373	37951	216.3	6500	126.2	49802	8249	17.7%	
-23.1%	523	9432	191.7	6550	146.8	8951	884	-77.0%	
-34.7%	4077	96796	166.8	6600	168.8	57995	5778	163.0%	
-94.6%	299	7716	146	6650	192.9	2790	322	-82.9%	
-74.6%	1973	37565	124.5	6700	218.8	12015	1288	-22.7%	
-94.2%	236	4752	107.8	6750	257.8	31	13	-98.5%	
-55.7%	2150	28275	89.4	6800	278.6	2210	752	173.5%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-1.6%	915	237	32.15	210	0.65	6417	4943	4.1%	
0.3%	3832	13130	22.85	220	1.55	29209	7269	-21.9%	
65.3%	3511	53964	15.25	230	4.7	69383	7569	19.9%	
340.7%	3512	55015	12.05	235	7.25	54794	4558	12.5%	
125.4%	9225	78435	9.5	240	255	57116	4532	-25.0%	
21.3%	4829	28611	7.25	245	14	18259	2789	-19.0%	
16.6%	12639	46886	5.45	250	18.3	13631	3580	-25.3%	
-2.1%	9117	23712	2.95	260	27.5	2319	2338	-4.9%	
-8.2%	4671	10807	1.7	270	36.6	120	259	-18.3%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jun	5,811	5,773	5,792	5,807	5,826	5,841	Bearish	Moderate	5800 - 5834
Cocudakl	NCDEX	Jun	2,733	2,704	2,719	2,739	2,754	2,774	Bearish	Moderate	2712 - 2747
Cotton	NCDEX	July	56,200	56,033	56,117	56,183	56,267	56,333	Bearish	Moderate	56150 - 56300
Dhaniya	NCDEX	Jun	7,530	7,375	7,453	7,511	7,589	7,647	Bearish	Moderate	7482 - 7618
Jeera	NCDEX	Jun	28,820	28,593	28,707	28,853	28,967	29,113	Bearish	Moderate	28780 - 29040
Guar Seed	NCDEX	Jun	5,484	5,425	5,454	5,475	5,504	5,525	Bearish	Moderate	5465 - 5515
Guar Gum	NCDEX	Jun	10,812	10,642	10,727	10,786	10,871	10,930	Bearish	Moderate	10757 - 10901
Mentha Oil	MCX	Jun	925	919	921.83	927	930	936	Bearish	Moderate	920 - 929
Turmeric	NCDEX	Jun	18,180	17,680	17,930	18,090	18,340	18,500	Flat	Moderate	18010 - 18420

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	71965	70842	71404	71719	72281	72596	Flat	Moderate	71562 - 72439
Gold Comex	Comex	June	2331	2297	2314	2323	2340	2348	Flat	Moderate	2319 - 2344
Silver	MCX	July	89090	87329	88210	88704	89585	90079	Flat	Moderate	88457 - 89832
Silver Comex	Comex	July	29.47	28.60	29.03	29.34	29.78	30.09	Bearish	Moderate	29 - 30
Crude	MCX	June	6551	6453	6502	6546	6595	6639	Bearish	Moderate	6524 - 6617
Crude Nymex	Nymex	July	78.05	76.71	77.38	78.09	78.76	79.47	Bearish	Moderate	78 - 79
Nat Gas	MCX	June	242	235	238	244	248	254	Bearish	Moderate	237 - 246
BullDex	MCX	June	18528	18258	18393	18469	18604	18680	Flat	Low	18431 - 18642
Copper	MCX	June	856.80	847	852	856	861	865	Bearish	Moderate	849 - 859
Zinc	MCX	June	255.35	250	252	256	259	263	Bearish	Moderate	251 - 258
Lead	MCX	June	187	186	187	187	188	188	Bearish	Moderate	186 - 188
Aluminum	MCX	June	232.50	231	232	233	234	235	Bearish	Moderate	231 - 233

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