



Monday, July 01, 2024

Overview

- China's manufacturing PMI ticks up to 51.8 at 3-year high
- Gold prices steady as US inflation slows
- Oil prices supported by supply deficit expectations
- Focus this week will be on US Jobs data and FOMC meeting minutes.

Precious Metals

Gold prices held steady in early morning trade, buoyed by steady inflation and soft labour market, boosting hopes that the Federal Reserve will start cutting interest rates this year. Pending home sales and orders placed with US factories both unexpectedly fell in May, the former to a record low. Safe haven demand has emerged in recent weeks amid the challenging political backdrop. Upcoming elections in France, the UK and the US are raising concerns of policy shifts and cushioning prices. US inflation was reported in-line with expectations; while US weekly jobless claims showed signs of weakness in the labour market. While, US GDP was reported at 1.4% v/s 1.3% and previous number of 3.4%. In summary, economic numbers from the US last week was mixed keeping the prices in a broad range. Along with that, Fed official's comments continue to keep a cautious tone, signaling further delay in rate cuts. Bets for rate cut in September Fed meeting remain steady at 60%. Market participants this week will keep an eye on US labour market data, Manufacturing and Services PMI from major economies and also FOMC meeting minutes and Governor Powell's speech. Gold on domestic front is expected to trade in a range of ₹71,000-72,000.

Precious metals	Close (\$)	%Chg.
Gold	2326.6	0.0%
Silver	29.12	0.0%
CFTC data	Speculative Longs	Change WoW
Gold	184710	-4823
Silver	32990	831
ETF	Close	%Chg.
GOLD ETF	1927.4	2.00
Silver ETF	25020	5.68
Others	Close	%Chg.
DXY	105.87	-0.3%
US 10Y Yields	4.39	1.3%

Base Metals

Zinc outshines amidst the industrial metal pack, on the back of supply side constraints, while copper prices traded steady on the back of rising inventories and Dollar index. Hawkish comments from Powell dented risk appetite and supported an up-move in Dollar index. Economic number from US were mixed while from China were lower than expectations. Profits at industrial firms in China were down 13% y/y in May, underscoring weak domestic demand, this has led to increased calls for further support from Beijing. Beijing eased home-buying requirements earlier this week, including lower required down payments and a lower mortgage rate floor. These latest measures could drive an increase in residential property transactions and help alleviate the worst housing oversupply by inventory-clearance time in the country. Today in the early Asian trade, China's manufacturing activities grew fastest in 3 years in June; Caixin manufacturing PMI hit 51.8 v/s prev. 51.7.

Energy

Oil prices steadied while posting third consecutive week of gains, boosted by projections of a supply deficit due to peak summer gasoline use and OPEC+ cuts in the third quarter, but gains were limited by global economic headwinds and rising non-OPEC+ output. Data showed core PCE eased mildly spurring some optimism that U.S. inflation was cooling, and saw traders ramp up bets on a 25 basis point rate cut in September. A softer dollar benefits oil demand. Rising geopolitical tensions in Europe and between Israel and Lebanon's Hezbollah, as well as hopes for an interest rate cut by the US Federal Reserve, have kept prices supported. The impact from hurricanes on oil and gas production and consumption in the US as Beryl, the earliest Category 4 hurricane on record, headed toward the Caribbean's Windward Islands will also be watched. Focus this week will be on US Jobs data and comments from Fed chair Powell for cues on policy outlook.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	855	0.3%
Aluminium	228 ^P	-0.2%
Nickel	1450	-0.6%
Lead	197	0.3%
Zinc	276	3.3%

Inventory		Current	W/W Chg.	Units
Copper	LME	180125	2375	MT
	Shanghai	319521	-3389	MT
Aluminum	LME	1026925	-5950	MT
	Shanghai	234871	6132	MT
Nickel	LME	95034	1170	MT
	Shanghai	20098	-71	MT
Lead	LME	224375	875	MT
	Shanghai	53843	-244	MT
Zinc	LME	262075	22475	MT
	Shanghai	126413	-1694	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	81.90	0.7%
Natural gas	2.60	-3.2%

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	235816	45151
Natural Gas	34625	-4017

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	
0.0%	0	0	2370	69500	258	0	0	0.0%	
30.4%	90	91	1886.5	70000	282	1719	649	14.5%	
0.0%	0	0	1648.5	70500	441.5	227	73	55.3%	
-11.5%	299	1446	1228	71000	609	3816	784	0.6%	
64.9%	160	968	978.5	71500	814	404	82	203.7%	
10.6%	1144	4629	769.5	72000	1095	782	402	5.0%	
237.5%	27	95	574.5	72500	1494	0	0	0.0%	
13.1%	863	2158	474	73000	1789	69	151	37.3%	
0.0%	2	0	338.5	73500	2208	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		
	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI	
-29.0%	508	8191	278.8	6600	71.3	52446	8439	-2.5%	
-20.0%	80	1116	244.5	6650	87.3	19602	1581	3.8%	
-9.0%	2114	44876	211.9	6700	104.5	99985	8918	-19.0%	
-3.1%	1325	23640	182.4	6750	125.4	32699	2131	2.0%	
-2.7%	8575	178550	156.9	6800	150.6	175712	8701	-15.8%	
72.3%	3907	62359	132.3	6850	176	45110	1617	83.1%	
55.6%	6799	125011	111.6	6900	207.2	82568	806	-19.9%	
1.9%	1540	24041	92.9	6950	237.4	1565	35	133.3%	
19.1%	6124	79235	78	7000	273	12475	364	-11.0%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		
	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI	
-18.6%	258	1220	29.35	200	4.85	19434	2791	-2.4%	
329.3%	352	3627	22.2	210	8.65	21664	3419	24.6%	
303.6%	2942	27909	16.2	220	13.9	40234	3717	15.4%	
124.5%	2440	24942	13.75	225	17.05	21159	1364	-1.9%	
75.1%	8497	52720	11.55	230	255	29844	4272	-3.2%	
20.7%	4083	17096	9.5	235	24	5410	815	1.1%	
15.7%	8328	28046	7.9	240	27.7	5334	2158	1.1%	
5.2%	9769	25089	5.3	250	36	1277	1141	-6.0%	
32.8%	4091	10288	3.65	260	42.55	176	234	0.4%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	July	5,754	5,731	5,743	5,756	5,768	5,781	Bearish	Moderate	5750 - 5775
Cocudakl	NCDEX	July	2,854	2,805	2,830	2,867	2,892	2,929	Bearish	Moderate	2818 - 2880
Cotton	NCDEX	July	58,800	58,493	58,647	58,773	58,927	59,053	Bearish	Moderate	58570 - 58850
Dhaniya	NCDEX	July	7,380	7,292	7,336	7,384	7,428	7,476	Bearish	Moderate	7314 - 7406
Jeera	NCDEX	July	29,075	28,455	28,765	29,120	29,430	29,785	Bearish	Moderate	28943 - 29608
Guar Seed	NCDEX	July	5,346	5,286	5,316	5,347	5,377	5,408	Bearish	Moderate	5332 - 5393
Guar Gum	NCDEX	July	10,378	10,265	10,321	10,389	10,445	10,513	Bearish	Moderate	10355 - 10479
Mentha Oil	MCX	July	905	905	904.90	905	905	905	Flat	Moderate	905 - 905
Turmeric	NCDEX	Aug	16,924	16,473	16,699	17,075	17,301	17,677	Bearish	Moderate	16586 - 17188

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	71582	71163	71373	71611	71821	72059	Flat	Moderate	71492 - 71940
Gold Comex	Comex	July	2328	2309	2318	2328	2338	2348	Strong	Low	2323 - 2343
Silver	MCX	Sep	89540	88374	88957	89818	90401	91262	Bearish	Moderate	89388 - 90832
Silver Comex	Comex	Aug	29.39	28.56	28.97	29.37	29.79	30.19	Flat	Moderate	29 - 30
Crude	MCX	July	6805	6681	6743	6821	6883	6961	Bullish	High	6712 - 6852
Crude Nymex	Nymex	Sep	80.64	79.23	79.93	80.86	81.56	82.49	Bullish	High	80 - 81
Nat Gas	MCX	July	218	208	213	222	227	235	Bearish	Moderate	211 - 224
BullDex	MCX	July	18389	18243	18316	18404	18477	18565	Flat	Moderate	18360 - 18521
Copper	MCX	July	854.90	846	851	858	862	869	Flat	Moderate	849 - 860
Zinc	MCX	July	275.65	265	270	278	283	291	Bullish	Moderate	274 - 287
Lead	MCX	July	197	196	196	197	197	198	Bullish	Moderate	196 - 197
Aluminum	MCX	July	228.35	225	227	228	229	231	Flat	Moderate	226 - 229

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