



Tuesday, July 02, 2024

Overview

- US ISM Factory activity shrunk to 48.5 in June
- Gold prices steady ahead of US jobs data
- Oil prices supported hurricane and geopolitical risk premium
- Focus today will be on US JOLTs and a speech from Gov Powell.

Precious Metals

Gold prices started the week on a steady note, as along with ambiguity regarding rate cut expectations market is also taking cues from the US economic data points. Dollar index sank in the yesterday's session, hovering below 106 level, while US 10Y Yield was steady near 4.4%. Limited updates regarding geo-political tensions weighed on sentiment, however Fed officials in most of their appearances promoted a cautious approach and delay in rate cuts this year. The CME Fed-watch tool showed traders pricing in a nearly 58% chance for a 25bps cut in September. On data front, 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 the UK and the US are raising concerns of policy shifts and cushioning prices. Yesterday, US manufacturing PMI was reported lower than expectations, below the 50 mark supporting prices. Market participants today will keep an eye on EU CPI and Governor Powell's speech. This week focus will be on US non-farm, factory orders data and also on FOMC meeting minutes. Gold on domestic front is expected to trade in a range of ₹71,200-72,200.

Precious metals	Close (\$)	%Chg.
Gold	2331.2	0.0%
Silver	29.36	-0.3%
CFTC data	Speculative Longs	Change WoW
Gold	184710	-4823
Silver	32990	831
ETF	Close	%Chg.
GOLD ETF	1931.2	3.81
Silver ETF	25020	0.00
Others	Close	%Chg.
DXY	105.90	0.0%
US 10Y Yields	4.45	3.0%

Base Metals

Copper prices on the back of a weaker dollar and mixed data from China's manufacturing sector, but worries about demand in the top consumer fueled by climbing inventories capped gains. Dollar index in the yesterday's witnessed a fall on the back of lower than expectations US manufacturing PMI, hovering below 106 level. Factory activity among smaller Chinese manufacturers grew at the fastest pace since 2021 thanks to overseas orders, a private survey showed. However, optimism was tempered by a broader survey suggesting weak domestic demand and industrial contraction. Profits at industrial firms in China were down 13% y/y in May, underscoring weak domestic demand. Beijing eased home-buying requirements earlier this week, including lower required down payments and a lower mortgage rate floor. Copper stocks in warehouses registered with the LME at 180,050 tons have climbed nearly 75% since May 16 and are at their highest since December. Meanwhile, stocks in Shanghai's bonded warehouses at 90,700 tons are up from around 9,000 tons in January.

Energy

Oil prices rose 2% to a two-month high in yesterday's trading session, boosted by expectations of increased demand during the Northern Hemisphere's summer driving season and concerns that unrest in the Middle East could spread and decrease global oil supplies. Oil prices have been underpinned by increasing geopolitical risk premium relating to Israel-Hezbollah tensions and tighter supply expectations, along with some additional hurricane premium. Gasoline demand in the U.S., the world's biggest oil consumer, is expected to ramp up as the summer travel season picks up with the Independence Day holiday this week. Hurricane Beryl entered the Bay of Campeche in the Gulf of Mexico, where Mexico produces much of its oil and causing problems for oil production there. Natural gas prices fell influenced by increased production, lower demand forecasts, and a surplus of gas in storage. Gas output in the Lower 48 U.S. states averaged 98.8 bcf in June, up from May's 98.8 bcf. Market will focus on remarks from Fed Chair Jerome Powell and JOLTs job data today, followed by the release of minutes from the U.S. central bank's latest policy meeting and U.S. nonfarm payrolls data later this week for more signs of when Fed will start cutting interest rates.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	846	0.9%
Aluminium	2300	0.2%
Nickel	1464	1.0%
Lead	190	-3.8%
Zinc	265	-0.3%

Inventory		Current	W/W Chg.	Units
Copper	LME	180050	-75	MT
	Shanghai	319521	-3389	MT
Aluminum	LME	1021350	-5575	MT
	Shanghai	234871	6132	MT
Nickel	LME	95436	402	MT
	Shanghai	19694	-404	MT
Lead	LME	224200	-175	MT
	Shanghai	53843	-244	MT
Zinc	LME	261850	-225	MT
	Shanghai	126413	-1694	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	83.54	0.2%
Natural gas	2.48	-5.0%

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		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	0	0	2349	69500	191.5	0	0	0.0%	
40.0%	126	94	1855	70000	246.5	1793	714	10.0%	
0.0%	0	0	1615	70500	404	65	68	-6.8%	
26.8%	379	1577	1208.5	71000	570.5	3323	851	8.5%	
77.5%	284	1216	975	71500	780	846	119	45.1%	
51.8%	1737	7581	754	72000	1039	887	452	12.4%	
18.5%	32	107	605.5	72500	1373	0	0	0.0%	
15.6%	998	3024	460.5	73000	1801	33	156	3.3%	
0.0%	2	0	320	73500	2094.5	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-19.6%	1700	29202	209.6	6700	58	92082	14155	58.7%	
-40.8%	784	14256	180.5	6750	71.2	36839	4025	88.9%	
0.5%	8615	170170	155.4	6800	87.1	193700	21059	142.0%	
-45.3%	2137	70266	133.2	6850	105.7	67954	5454	237.3%	
-24.5%	5130	148354	113.4	6900	128.2	135044	9380	1063.8%	
33.1%	2050	36824	94.2	6950	152.6	7477	591	1588.6%	
9.0%	6677	96047	79.3	7000	179.3	31046	2726	648.9%	
-19.6%	538	13832	66.4	7050	208.6	225	72	0.0%	
-10.4%	2068	42401	55.2	7100	240.8	4928	599	989.1%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	0	0	38.65	180	2.05	12865	1856	61.7%	
162.5%	21	64	30	190	4	15133	2492	26.3%	
172.5%	703	5890	22.65	200	7.25	24949	3125	12.0%	
6140.0%	312	4135	19.4	205	9.5	12873	1274	23.8%	
798.0%	3161	31050	16.5	210	255	35076	4596	34.4%	
876.7%	2178	23549	13.95	215	14.8	22790	1014	23.5%	
109.0%	6148	44526	11.8	220	17.95	20055	2981	-19.8%	
30.6%	11099	33098	8.25	230	25.15	6239	3557	-16.7%	
12.0%	9327	20787	5.6	240	33.35	1494	1707	-20.9%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	July	5,779	5,736	5,757	5,772	5,793	5,808	Bearish	Moderate	5765 - 5801
Cocudakl	NCDEX	July	2,819	2,782	2,801	2,825	2,844	2,868	Bearish	Moderate	2792 - 2835
Cotton	NCDEX	July	58,600	58,080	58,340	58,560	58,820	59,040	Bearish	Moderate	58450 - 58930
Dhaniya	NCDEX	July	7,292	7,140	7,216	7,308	7,384	7,476	Bearish	Moderate	7178 - 7346
Jeera	NCDEX	July	28,800	27,613	28,207	28,793	29,387	29,973	Bearish	Moderate	27910 - 29090
Guar Seed	NCDEX	July	5,284	5,244	5,264	5,295	5,315	5,346	Bearish	Moderate	5254 - 5305
Guar Gum	NCDEX	July	10,251	10,158	10,204	10,273	10,319	10,388	Bearish	Moderate	10181 - 10296
Mentha Oil	MCX	July	918	909	913.60	917	922	926	Bullish	High	915 - 924
Turmeric	NCDEX	Aug	16,138	15,353	15,745	16,323	16,715	17,293	Bearish	Moderate	15549 - 16519

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	71654	71135	71394	71635	71894	72135	Flat	Moderate	71515 - 72015
Gold Comex	Comex	July	2328	2318	2323	2326	2331	2334	Strong	Moderate	2321 - 2329
Silver	MCX	Sep	89750	88479	89115	89670	90306	90861	Flat	Moderate	89393 - 90584
Silver Comex	Comex	Aug	29.44	28.88	29.16	29.39	29.67	29.89	Flat	Moderate	29 - 30
Crude	MCX	July	6950	6767	6859	6908	7000	7049	Bullish	High	6884 - 7025
Crude Nymex	Nymex	Sep	82.32	79.71	81.01	81.80	83.10	83.89	Bullish	High	81 - 83
Nat Gas	MCX	July	210	204	207	211	214	219	Bearish	Moderate	205 - 213
BullDex	MCX	July	18386	18265	18325	18388	18448	18511	Flat	Moderate	18295 - 18418
Copper	MCX	July	845.75	830	838	843	851	857	Bearish	Moderate	841 - 854
Zinc	MCX	July	265.40	261	263	266	268	271	Bearish	Moderate	264 - 269
Lead	MCX	July	190	188	189	190	190	191	Bearish	Moderate	189 - 190
Aluminum	MCX	July	230.45	228	229	231	232	234	Flat	Moderate	229 - 232

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