



Wednesday, July 03, 2024

Overview

- China Services slipped to 8-month low at 51.2 in June
- Gold prices steady after slightly dovish Powell remarks
- Oil prices steady after touching two-month highs
- Focus today will be on ADP Nonfarm and inventories.

Precious Metals

Gold prices gained some ground but continue to trade in that narrow range as Treasury yields held firm, while investors digested comments from Federal Reserve Chair Jerome Powell and looked forward to U.S. jobs data due later this week for more signals on U.S. interest rate cuts. The benchmark 10-year Treasury yield hit a one-month high and stayed firm around 4.4%, while Dollar index gave up some gains after briefly breaching 106 level. Governor Powell in his speech reiterated his hawkish stance from the recent Fed meeting. He mentioned that 4% unemployment rate is still very low and that the Fed does not see 2% inflation this year or in the next. The Fed need more data before any decision on rate cut or else it will create risk of rising inflation once again. Despite such comments bets for rate cut in September meeting is at 60%. Data in the yesterday's session showed U.S. job openings rose to 8.14 million in May. Focus now shifts to Friday's non-farm payrolls, which will be crucial in assessing whether the U.S. labor market remains resilient against the backdrop of decades-high interest rates. Focus today will be on US private payrolls, weekly jobless claims and FOMC meeting minutes. US markets have an early closing today on the back of Independence day Holiday. Gold on domestic front is expected to trade in a range of ₹71,200-72,200.

Precious metals	Close (\$)	%Chg.
Gold	2329.9	0.0%
Silver	29.61	0.3%
CFTC data	Speculative Longs	Change WoW
Gold	184710	-4823
Silver	32990	831
ETF	Close	%Chg.
GOLD ETF	1928.3	-2.91
Silver ETF	24998	-22.09
Others	Close	%Chg.
DXY	105.72	0.0%
US 10Y Yields	4.43	-1.0%

Base Metals

Copper prices trading steady on the back of on mixed China economic readings from China. 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 another broader survey suggesting weak domestic demand. Similarly, Services PMI from China reported earlier today, was lower than expectations at 51.2 v/s 52.5 lowest since Nov'23, weighing on overall sentiment. Fund buying helped copper higher on Tuesday, but worries about demand prospects in top consumer China and an inventory uptrend in warehouses registered with London Metal Exchange (LME) are likely to cap prices. Stocks of copper in LME-registered warehouses have climbed nearly 80% since mid-May to reach 184,475 tons for their highest levels since December. It is believed that much of the metal delivered to storage facilities in Asia comes from China.

Energy

Crude Oil prices steadied after touching 2-month highs on expectation for increased demand following up to Independence Day holiday and potential supply risks from geopolitics and weather-related disruptions. Optimism regarding fuel demand in the U.S. will pick up with the onset of the travel-heavy summer season kept prices underpinned as Increased travel during the summer season bodes well for fuel demand. Potential supply disruption from the Hurricane Beryl presented prospects for tighter markets, but the full effect of the hurricane is yet to be seen. Concerns over an all-out war in the Middle East showed little signs of easing, which is adding geopolitical risk premium to prices. API data showed the biggest draw in inventories in 6 months with U.S. crude oil inventories falling by 9.163mb in the week ended June 28. This ignited hopes of fuel demand during the summer driving season in the top oil consuming nation. However, gasoline inventories rose by 2.468 million barrels, and distillates fell by 740,000 barrels. Natural gas prices fell for 4th consecutive day, impacted 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. Gas flows to major US LNG export plants dropped in June due to maintenance at several facilities. Today, ADP figures from the US, FOMC meeting minutes and Crude, natural gas inventories will be in focus.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	850	0.1%
Aluminium	2310	-0.1%
Nickel	1466	0.1%
Lead	189	0.1%
Zinc	268	0.4%

Inventory		Current	W/W Chg.	Units
Copper	LME	184475	4425	MT
	Shanghai	319521	-3389	MT
Aluminum	LME	1014925	-6425	MT
	Shanghai	234871	6132	MT
Nickel	LME	95502	66	MT
	Shanghai	19599	-95	MT
Lead	LME	226075	1875	MT
	Shanghai	53843	-244	MT
Zinc	LME	259775	-2075	MT
	Shanghai	126413	-1694	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	83.23	0.0%
Natural gas	2.47	-1.8%

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	2349.5	69500	176	0	0	0.0%	
1.6%	128	57	1913.5	70000	233.5	1442	726	1.7%	
0.0%	0	0	1586.5	70500	367	165	80	17.6%	
-2.1%	371	1128	1233	71000	565	3170	996	17.0%	
-12.3%	249	1695	991	71500	811	1195	371	211.8%	
37.2%	2383	7422	763	72000	1076	896	454	0.4%	
68.8%	54	384	587	72500	1383.5	0	0	0.0%	
14.4%	1142	2096	452.5	73000	1749	23	172	10.3%	
0.0%	2	0	271	73500	2128.5	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-30.0%	6030	32872	235	6800	74.7	112248	17628	-16.3%	
-5.9%	2011	10816	201.8	6850	92.1	39848	4233	-22.4%	
-10.7%	4580	87204	174.1	6900	113.8	140297	8682	-7.4%	
6.9%	2192	47748	147.7	6950	138.1	41191	889	50.4%	
63.3%	10906	210534	124.9	7000	165.1	184860	4868	78.6%	
230.3%	1777	43302	104.8	7050	193.9	16925	834	1058.3%	
123.6%	4625	90029	87.9	7100	226.3	42290	1527	154.9%	
609.5%	1270	17335	73.6	7150	255.3	36	6	0.0%	
104.7%	3625	56935	61.5	7200	302.1	5621	419	323.2%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	0	0	35.3	175	1.9	3288	594	-11.5%	
0.0%	0	0	26.75	185	3.95	5526	617	75.3%	
6700.0%	68	1995	20.85	195	7.25	12364	718	34.0%	
172.4%	1915	24395	16.85	200	9.35	39913	3878	24.1%	
233.7%	1041	23478	14.05	205	255	26343	1456	14.3%	
43.2%	4528	46251	11.65	210	14.8	25289	3820	-16.9%	
9.2%	2378	16715	9.45	215	18	6448	746	-26.4%	
-2.1%	3929	8690	5.9	225	25.6	519	1050	-10.9%	
-11.6%	3673	4910	3.75	235	34.1	178	674	-10.6%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	July	5,837	5,761	5,799	5,825	5,863	5,889	Bearish	Moderate	5812 - 5876
Cocudakl	NCDEX	July	2,826	2,796	2,811	2,827	2,842	2,858	Bearish	Moderate	2819 - 2850
Cotton	NCDEX	July	58,740	58,280	58,510	58,740	58,970	59,200	Bearish	Moderate	58625 - 59085
Dhaniya	NCDEX	July	7,204	7,133	7,169	7,229	7,265	7,325	Bearish	Moderate	7151 - 7247
Jeera	NCDEX	July	28,790	27,830	28,310	28,605	29,085	29,380	Bearish	Moderate	28458 - 29233
Guar Seed	NCDEX	July	5,286	5,223	5,254	5,283	5,314	5,343	Bearish	Moderate	5269 - 5329
Guar Gum	NCDEX	July	10,313	10,077	10,195	10,273	10,391	10,469	Bearish	Moderate	10234 - 10430
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	71554	71201	71377	71609	71785	72017	Bearish	Moderate	71289 - 71697
Gold Comex	Comex	July	2323	2317	2320	2327	2330	2338	Bearish	Moderate	2318 - 2329
Silver	MCX	Sep	89893	88588	89241	90055	90708	91522	Flat	Moderate	88915 - 90382
Silver Comex	Comex	Aug	29.49	29.01	29.25	29.60	29.84	30.19	Flat	Moderate	29 - 30
Crude	MCX	July	6949	6872	6911	6974	7013	7076	Bullish	High	6892 - 6994
Crude Nymex	Nymex	Sep	81.91	80.93	81.42	82.32	82.81	83.71	Bullish	High	81 - 83
Nat Gas	MCX	July	204	199	202	205	207	210	Bearish	Moderate	200 - 206
BullDex	MCX	July	18386	18265	18325	18388	18448	18511	Flat	Moderate	18295 - 18418
Copper	MCX	July	847.00	837	842	848	853	860	Bearish	Moderate	845 - 856
Zinc	MCX	July	266.55	263	265	268	270	274	Bearish	Moderate	264 - 269
Lead	MCX	July	188	187	188	189	190	191	Bearish	Moderate	187 - 189
Aluminum	MCX	July	230.30	229	230	231	231	232	Flat	Moderate	229 - 231

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