



Friday, July 05, 2024

## Overview

- Gold climbs on reinforced expectations for interest rate cuts
- Oil rose on signs of strong seasonal demand
- Focus today will be on US Nonfarm payrolls and unemployment rate.

## Precious Metals

Gold and silver prices continue to hold its ground after a sharp rally witnessed at the start of this week and were on track for second weekly gain, while investors awaited US employment data to gauge trajectory of interest rate cuts in this year. Economic data points this week have signaled the market that the US economy is slowing down and that could lead the fed to cut rates sooner than expected. However, the fact that Fed officials wants more evidence regarding an ease off in Inflation and of slowing economy, as shown in recent FOMC meeting minutes and Governor Powell's speech. A measure of U.S. services sector activity slumped to a four-year low in June amid a sharp drop in orders, potentially hinting at a loss of momentum in the economy at the end of Q2'24. US weekly jobless claims and private payrolls data showed an ease off in labour market, supporting bullions. US markets will resume after independence holiday. Even after hawkish statements from Fed policymakers, bets for a rate cut in September is at 66%, supporting this up-move in bullions. Updates from Israel regarding their continuous attacks and no sign of ease off in this geo-political tensions is also supporting safe haven metals on lower end. All eyes today are now on US non-farm payrolls data and unemployment data which could give further direction in the market.

Precious metals	Close (\$)	%Chg.
Gold	2361.2	0.2%
Silver	30.55	0.5%
CFTC data	Speculative Longs	Change WoW
Gold	184710	-4823
Silver	32990	831
ETF	Close	%Chg.
GOLD ETF	1928.6	4.04
Silver ETF	25100	0.00
Others	Close	%Chg.
DXY	105.13	-0.1%
US 10Y Yields	4.37	-2.0%

## Base Metals

Copper prices were steady on Thursday as investors balanced optimism over potential U.S. interest rate cuts with concern about high inventories and lacklustre demand in China. Prices had jumped 2% earlier this week, for its biggest daily gain since June 6, but overall LME copper has eased 11% since its record high of ~\$11,000. This renewed rally, however, not only requires lower interest rates, but also a pick-up in demand and shrinking inventories. Recent fall in Dollar index on the back weak economic data points is also supporting an up-move in metals. Stocks of copper in LME-registered warehouses have climbed nearly 80% since mid-May to reach 186450 tons. Futures and options average daily volumes on the LME hit a 10-year peak in the second quarter, jumping 27% year on year.

## Energy

Oil prices were on track for fourth week of consecutive gains, aided by a substantially bigger-than-expected drawdown in U.S. inventories indicating strong summer fuel demand and speculation over supply disruptions. U.S. travel demand, in particular, was a key driver of the increase in mood ahead of record-high travel activity in the world's largest fuel consumer during Independence Day week. Outsized draws in gasoline and distillates stockpiles also showed that demand was picking up with the summer season. Persistent fears about geopolitical disruptions in the Middle East also maintained a risk premium in play, particularly as tensions between Israel and Lebanon's Hezbollah showed no signs of easing. Saudi Aramco reduced the price of the flagship Arab Light oil it would deliver to Asia in August to \$1.80 per barrel above the Oman/Dubai average, highlighting the strain on OPEC producers as non-OPEC supply increases. Along with this, some caution was also into play as concerns over slowing economic growth in major oil consumers the U.S. and China stayed, especially following weak readings on non-manufacturing purchasing managers index data. Natural gas prices stooped lower, due to increased production and oversupply. A heat wave is expected to persist through mid-July, but output in the Lower 48 states averaged 101.8 bcf so far in July, up from June's 100.2 bcf. The latest EIA report also showed gas in storage was 18.8% above the seasonal norm. Today, nonfarm payrolls and unemployment rate from the US will remain in focus.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	868	1.9%
Aluminium	233P	1.3%
Nickel	1465	-0.7%
Lead	190	0.1%
Zinc	275	2.3%

Inventory		Current	W/W Chg.	Units
Copper	LME	186275	-175	MT
	Shanghai	319521	-3389	MT
Aluminum	LME	1004825	-5000	MT
	Shanghai	234871	6132	MT
Nickel	LME	97050	1056	MT
	Shanghai	19360	-137	MT
Lead	LME	223950	1075	MT
	Shanghai	53843	-244	MT
Zinc	LME	258700	-325	MT
	Shanghai	126413	-1694	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	83.72	-0.6%
Natural gas	2.44	-0.7%

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%	115	7	2474	70000	90.5	580	956	-0.5%	
0.0%	0	0	2092	70500	174.5	15	79	2.6%	
-4.6%	314	151	1613	71000	274	1280	1580	-5.7%	
3.6%	172	120	1268.5	71500	433	176	463	0.4%	
11.2%	1130	2553	1008	<b>72000</b>	635	2422	1001	-12.0%	
33.0%	149	428	778	72500	908	9	7	0.0%	
17.7%	1372	3322	574	73000	1183	209	381	18.3%	
25.0%	10	24	365	73500	1514.5	0	0	0.0%	
-4.7%	727	799	327.5	74000	1889.5	0	1	0.0%	

## MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-12.5%	5003	25022	205.3	6800	35.8	64689	19324	1.0%	
-0.2%	1955	7702	171.9	6850	46.1	19727	4497	-3.3%	
-22.4%	5997	82862	145.6	6900	60.8	101709	15024	28.4%	
-23.7%	2629	38406	118.4	6950	80.4	46787	3725	109.0%	
2.3%	14665	154636	95.5	<b>7000</b>	101.5	133779	11657	152.4%	
1.1%	3154	37113	76	7050	125.7	16191	1635	222.5%	
0.0%	4645	57847	59.9	7100	154.5	42065	3363	140.4%	
2.0%	905	10145	47	7150	189.3	267	66	1000.0%	
-1.1%	4293	30984	36.7	7200	224.5	6389	883	150.9%	

## MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	1	1	43.5	160	0.6	2497	1418	18.0%	
0.0%	6	10	35.4	170	1.35	6492	3226	49.1%	
225.0%	91	573	25.7	180	3.05	15551	3558	5.2%	
0.0%	5	20	21.25	185	4.35	8590	1827	97.1%	
91.5%	544	9358	18.25	<b>190</b>	255	23196	2618	1.1%	
644.7%	767	10469	14.9	195	8.45	16798	1286	3.6%	
102.4%	5213	40074	12.25	200	11.05	38802	5074	8.8%	
-2.2%	6091	27410	7.65	210	17.3	9236	3665	-5.2%	
9.0%	8577	17191	4.75	220	25.15	1276	2356	-5.4%	

## Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	July	5,841	5,806	5,823	5,837	5,854	5,868	Bearish	Moderate	5830 - 5861
Cocudakl	NCDEX	July	2,817	2,762	2,790	2,808	2,836	2,854	Bearish	Moderate	2776 - 2822
Cotton	NCDEX	July	58,430	58,330	58,380	58,440	58,490	58,550	Bearish	Moderate	58355 - 58465
Dhaniya	NCDEX	July	7,202	7,143	7,173	7,211	7,241	7,279	Bearish	Moderate	7158 - 7226
Jeera	NCDEX	July	29,165	28,432	28,798	29,122	29,488	29,812	Bearish	Moderate	28960 - 29650
Guar Seed	NCDEX	July	5,324	5,264	5,294	5,331	5,361	5,398	Bearish	Moderate	5279 - 5346
Guar Gum	NCDEX	July	10,431	10,130	10,280	10,413	10,563	10,696	Bearish	Moderate	10205 - 10488
Mentha Oil	MCX	July	968	938	952.90	964	979	990	Bullish	Moderate	958 - 985
Turmeric	NCDEX	Aug	16,158	15,771	15,965	16,141	16,335	16,511	Bearish	Moderate	15868 - 16238

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	72367	72115	72241	72363	72489	72611	Bullish	Moderate	72178 - 72426
Gold Comex	Comex	July	2360	2320	2340	2351	2371	2381	Bullish	High	2345 - 2376
Silver	MCX	Sep	91961	91134	91547	91874	92287	92614	Bullish	Moderate	91711 - 92451
Silver Comex	Comex	Aug	30.67	29.22	29.95	30.37	31.10	31.52	Bullish	Moderate	30 - 31
Crude	MCX	July	7024	6901	6962	6995	7056	7089	Bullish	Moderate	6979 - 7073
Crude Nymex	Nymex	Sep	83.02	81.08	82.05	82.56	83.53	84.04	Bullish	Moderate	82 - 84
Nat Gas	MCX	July	198	191	194	199	203	208	Bearish	Moderate	192 - 201
BullDex	MCX	July	18659	18591	18625	18654	18688	18717	Bullish	Moderate	18640 - 18703
Copper	MCX	July	868.15	857	863	866	872	875	Strong	Moderate	864 - 873
Zinc	MCX	July	274.65	271	273	274	276	277	Bullish	High	274 - 277
Lead	MCX	July	190	189	189	189	190	190	Bearish	Moderate	189 - 190
Aluminum	MCX	July	232.90	231	232	233	234	235	Strong	Low	232 - 234

**Navneet Damani**

**Head Research- Currencies and Commodities**

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Contact Person	Contact No.	Email ID
Ms. Hemang Date	022 40548000 / 022 67490600	<a href="mailto:query@motilaloswal.com">query@motilaloswal.com</a>
Ms. Kumud Upadhyay	022 40548082	<a href="mailto:servicehead@motilaloswal.com">servicehead@motilaloswal.com</a>
Mr. Ajay Menon	022 40548083	<a href="mailto:am@motilaloswal.com">am@motilaloswal.com</a>

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