



Monday, July 08, 2024

Overview

- Gold inched higher as rate cut expectations rise
- Oil prices steady as markets eye hurricane Beryl impact
- Focus this week will be on US CPI and PPI data.

Precious Metals

Gold and silver price rose significantly as the dollar retreated amidst mixed jobs data, increase in rate cut expectations and geopolitical updates. Precious metals pack, especially silver rallied sharply in the holiday shortened week. US ADP, weekly jobless claims were supportive for bullions however market participants were cautiously waiting for the non-farm payroll data. US unemployment rate on Friday was reported above 4% for the first time since Dec'21 at 4.1%, however non-farm payroll showed job addition of 206k against expectations of 191k. Market participants on Friday, focused on unemployment rate which supported the prices and also reflected in the rate cut expectations for September meet, which increased from 60% to 70%. Governor Powell's speech comments have been opposite to what the market is expecting. Fed policy makers need more evidence regarding ease off in inflation, before talking about rate cuts. There were no signs of cease fire; attacks from Israel continued to increase the overall risk premium. Focus this week will be on US CPI, PPI and Governor Powell's testimony.

Precious metals	Close (\$)	%Chg.
Gold	2382.1	-0.4%
Silver	31.02	-0.6%
CFTC data	Speculative Longs	Change WoW
Gold	184710	-4823
Silver	32990	831
ETF	Close	%Chg.
GOLD ETF	1962.8	0.00
Silver ETF	25070	0.00
Others	Close	%Chg.
DXY	104.88	0.0%
US 10Y Yields	4.30	-1.7%

Base Metals

Copper prices inched higher, supported by an increase in rising expectations of US interest rate cuts and an improving demand outlook. US non-farm payrolls report further highlighted cooling off in the labor market which boosted rate cut expectations in the US. Weakening of Dollar index on the back of soft economic data points is also supporting an up-move in metals. Three-month copper on the London Metal Exchange climbed higher, coming off their first weekly increase in seven weeks. Further gains were capped by addition of 5350mt in inventories on Friday. Further up move requires lower interest rates, but also a pick-up in demand and shrinking inventories.

Energy

Oil prices settled lower in previous session but locked in fourth consecutive weekly gain on demand optimism and weather-related supply disruptions remain in focus. Bets on higher demand were bolstered by data showing a large drawdown in US oil stockpiles over the last week, as fuel retailers prepared for holiday travel. Oil prices were also boosted by expectations of interest rate reduction in response to news from the United States indicating that inflation is easing and job creation slowing. Lower interest rates can stimulate economic activity and drive up crude oil demand. Concerns about disruptions to energy supplies, with the main ports in Texas closing before Tropical Storm Beryl, are also in focus which is expected to build into a hurricane and landfall. Ports in Corpus Christi, Houston, Galveston, Freeport, and Texas City closed to prepare for Tropical Storm Beryl, potentially halting crude and liquefied natural gas exports, oil shipments, and motor fuel deliveries. Concerns about slowing economic development in key oil consumers such as the United States and China persisted, particularly after weak readings on the non-manufacturing purchasing managers index data which will be important to watch for oil's further potential to be able to gain. Natural gas prices fell, impacted from 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. Meanwhile, LNG export plant flows are slightly lower in July when compared with June, mainly due to reduced feedgas at Cheniere Energy's Sabine Pass. This week, inflation from US and OPEC monthly report will be in focus.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	875	0.6%
Aluminium	2340	-0.2%
Nickel	1456	-0.6%
Lead	190	0.3%
Zinc	276	0.7%

Inventory		Current	W/W Chg.	Units
Copper	LME	191625	5350	MT
	Shanghai	321642	2121	MT
Aluminum	LME	999725	-5100	MT
	Shanghai	244020	9149	MT
Nickel	LME	97254	204	MT
	Shanghai	19182	-178	MT
Lead	LME	222150	-1800	MT
	Shanghai	56166	2323	MT
Zinc	LME	258675	-25	MT
	Shanghai	126697	284	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	82.86	-0.4%
Natural gas	2.34	-4.3%

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	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		
8.3%	340	348	1624	71000	134.5	2695	1488	-5.8%	
8.7%	187	120	1271.5	71500	232.5	465	509	9.9%	
-25.8%	838	3061	1005	72000	344.5	4775	1532	53.0%	
25.5%	187	1306	768.5	72500	529.5	695	131	1771.4%	
9.9%	1508	7016	573	73000	748.5	2221	870	128.3%	
100.0%	20	85	412	73500	1190	1	1	0.0%	
31.6%	957	2543	317.5	74000	1375.5	148	92	9100.0%	
0.0%	4	4	163.5	74500	1772	0	0	0.0%	
58.5%	726	1938	171.5	75000	2171	0	1	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-33.5%	3329	23014	254.1	6800	36.5	60929	16761	-13.3%	
-28.2%	1403	6442	214.1	6850	47	22596	4251	-5.5%	
-27.7%	4333	75385	182.8	6900	66	111319	10579	-29.6%	
-0.1%	2627	32911	149.5	6950	87	52160	1979	-46.9%	
-1.6%	14426	249734	123.2	7000	112.1	240375	6809	-41.6%	
18.6%	3740	76088	99.1	7050	140.2	46883	1060	-35.2%	
0.6%	4671	101077	78.6	7100	172	76762	2592	-22.9%	
29.3%	1170	22781	62.7	7150	212.5	3667	104	57.6%	
22.9%	5275	57254	49.4	7200	249.2	21008	677	-23.3%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	1	0	43.5	160	0.6	3168	1510	6.5%	
50.0%	9	34	28.3	170	1.35	7835	4284	32.8%	
29.7%	118	1181	20.95	180	3.25	17320	3310	-7.0%	
200.0%	15	247	17	185	4.7	11304	1712	-6.3%	
65.3%	899	13913	14.15	190	255	34284	2937	12.2%	
66.9%	1280	21273	11.4	195	9.2	25543	1436	11.7%	
24.8%	6505	57995	9.05	200	12	45447	5198	2.4%	
10.6%	6734	28053	5.35	210	18.7	6809	3510	-4.2%	
10.1%	9444	21957	3.2	220	26.65	852	2366	0.4%	

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	29,155	28,655	28,905	29,175	29,425	29,695	Bearish	Moderate	29040 - 29560
Guar Seed	NCDEX	July	5,377	5,300	5,338	5,369	5,407	5,438	Bearish	Moderate	5354 - 5423
Guar Gum	NCDEX	July	10,591	10,357	10,474	10,570	10,687	10,783	Bearish	Moderate	10522 - 10735
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	92250	89383	90817	91656	93090	93929	Bullish	High	90100 - 92373
Silver Comex	Comex	Aug	31.51	29.80	30.66	31.13	31.99	32.46	Bullish	Moderate	30 - 32
Crude	MCX	July	6977	6907	6942	6997	7032	7087	Bullish	Moderate	6925 - 7015
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	18871	18554	18713	18808	18967	19062	Bullish	Moderate	18761 - 19015
Copper	MCX	July	875.25	859	867	874	882	890	Bullish	High	871 - 886
Zinc	MCX	July	275.65	273	274	276	277	279	Bullish	High	275 - 278
Lead	MCX	July	190	189	189	190	191	191	Strong	Moderate	190 - 191
Aluminum	MCX	July	234.05	231	233	234	236	237	Strong	Moderate	233 - 236

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