



Friday, July 19, 2024

## Overview

- Gold prices eased as dollar gained some strength
- Oil weighed down by a broad selloff in risk assets
- Metals corrected following no major announcements made in Third Plenum meeting.

## Precious Metals

Gold prices eased but is on track for fourth straight weekly gains, as expectations of a September interest rate cut from the U.S. Federal Reserve continued to gather momentum. On data front, number of Americans filing new applications for unemployment benefits rose more than expected last week, but there has been no material shift in the labor market, according to data released by the Labor Department. On other hand, Philly fed manufacturing index was reported better than expectations; US retail sales and Industrial production data this week was also positive. However, discounting two rate cuts despite the Fed dot plot showing just one weighed on dollar index and US 10Y yield significantly. Markets are pricing in a 98% chance of a U.S. cut rate in September, according to the CME Fed-Watch Tool. IMF yesterday in comments mentioned that the Fed should not cut interest rates until late 2024. The ECB also kept their interest rate unchanged after cutting in the previous meet. According to the World Gold Council, global physically backed gold exchange-traded funds recorded their second consecutive month of inflows in June. No major economic data points are scheduled on the calendar today, however comments from a few fed officials will be important to keep an eye on. Gold on domestic front could trade in a range of Rs. 73,000-74,000.

Precious metals	Close (\$)	%Chg.
Gold	2428.8	-0.7%
Silver	29.63	-3.5%
CFTC data	Speculative Longs	Change WoW
Gold	191603	13062
Silver	39803	7331
ETF	Close	%Chg.
GOLD ETF	1958.5	-1.51
Silver ETF	24990	0.00
Others	Close	%Chg.
DXY	104.17	0.1%
US 10Y Yields	4.22	1.0%

## Base Metals

Copper prices fell to three-month lows without new stimulus from a key political meeting in China and as investors switched from copper to gold to bet on earlier interest rate cuts by the U.S. Federal Reserve. The Chinese government issued a communique after a closed-door meeting of the ruling Communist Party's central committee members without detailing changes to be implemented at a time of financial hardship. Lack of policy support towards the Chinese economy that consumes half of the world's copper could weigh on the metal's demand prospects. China's June imports of copper slipped to a 14-month low. Copper inventories in LME-registered warehouses, meanwhile, have risen to a 33-month high of 221,100 tons, LME data showed. A stronger U.S. dollar, which rebounded after manufacturing data in the mid-Atlantic grew more than expected in July, also pressured metals prices.

## Energy

Oil prices settled lower amid a broader risk off tone across markets. Signs of weakness was evident in U.S after data showed that the number of Americans filing new applications for unemployment benefits rose more than expected last week. Initial claims for state unemployment benefits increased 20,000 to a seasonally adjusted 243,000, above the 229,000 expected. However, nationwide inventories drawdown did provide some relief as data indicated that inventories shrank by 4.87 mbs last week to lowest level since February. Along with this, wildfires once again threatened 400,000 barrels a day of oil production in Canada, putting piped shipments to the US at risk. The fires helped boost Canadian heavy crude prices. This comes ahead of a meeting of OPEC's monitoring committee, who will review the progress of the supply agreement between it and OPEC allies made earlier this year. Last month it announced it would restore roughly 2.2mb/d of halted output in the fourth quarter, but ensuing selloff prompted, it to stress it could change its mind should market conditions warrant it. For natural gas, prices rallied after inventories rose less than expected. The EIA reported that gas inventories rose +10 bcf, below expectations of +27 bcf and well below the five-year average for this time of year of +49 bcf. However, sentiment remain negative as weather forecast shows shift in cooler weather forecast in the upper Midwest for July 23-27, which should curb Gas demand from electricity providers to power air conditioning.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	828	-0.8%
Aluminium	2220	-0.4%
Nickel	1416	0.0%
Lead	188	-0.8%
Zinc	267	-1.6%

Inventory		Current	W/W Chg.	Units
Copper	LME	227425	6325	MT
	Shanghai	316108	-5534	MT
Aluminum	LME	963825	-525	MT
	Shanghai	262200	18180	MT
Nickel	LME	101820	234	MT
	Shanghai	17790	-516	MT
Lead	LME	208425	675	MT
	Shanghai	59408	3242	MT
Zinc	LME	242600	-3500	MT
	Shanghai	125892	-805	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	82.25	-0.2%
Natural gas	2.11	4.2%

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	252804	3723
Natural Gas	-34317	-37483

MT- Metric Ton, MNBL – Million Barrel, BCF –Billion Cubic Feet.

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## Options Monitor

## MCX Gold Mini

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-5.1%	501	206	1982.5	72000	51.5	2343	2335	-0.8%
-1.2%	164	21	1511.5	72500	76	634	573	-0.3%
-8.8%	677	609	1125	73000	152.5	4420	2068	-0.4%
-9.8%	148	482	772.5	73500	290	2008	424	20.8%
23.2%	1365	9919	523	74000	510	9392	1519	14.8%
37.5%	345	2328	355	74500	820.5	306	52	-1.9%
-20.4%	1418	7034	234	75000	1191.5	297	216	27.1%
0.0%	0	0	53	75500	1571.5	0	0	0.0%
-19.5%	602	2076	81.5	76000	2045.5	0	0	0.0%

## MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-74.0%	1674	26939	234.8	6700	115.3	69835	4582	-64.6%
-90.9%	135	7259	208.3	6750	134.2	11767	632	-89.3%
28.0%	3762	102586	180.7	6800	156	114767	6758	7.2%
-66.0%	814	35814	159.2	6850	179.9	13695	578	-81.0%
75.4%	5150	161253	137.5	6900	208.4	89496	3197	-61.7%
-73.3%	2027	47113	119.5	6950	236	8075	227	-80.0%
-70.2%	4447	109119	101.4	7000	268.2	18241	863	-52.0%
-93.7%	249	11707	87	7050	280.4	4	1	-99.9%
-55.4%	2009	44122	72.7	7100	335	2079	271	-76.4%

## MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
0.0%	0	0	30.45	140	0.1	4605	2948	68.1%
-57.8%	19	411	21.5	150	0.15	19412	7129	28.3%
-47.2%	237	8193	12.4	160	0.6	50567	6041	43.8%
-21.1%	292	16854	8.8	165	1.05	51090	4610	106.7%
-20.1%	5571	113043	6.05	170	255	122394	12095	40.4%
-9.2%	6937	125722	3.95	175	3.6	79588	4858	44.0%
-25.8%	11725	127271	2.65	180	6.35	56538	5643	-1.4%
-4.9%	14890	57188	1.3	190	13.75	8487	3743	-12.4%
0.9%	15608	27586	0.65	200	22.7	902	3411	-3.2%

## Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Aug	6,133	6,070	6,101	6,128	6,159	6,186	Bearish	Moderate	6115 - 6173
Cocudakl	NCDEX	Aug	2,996	2,933	2,965	2,990	3,022	3,047	Bearish	Moderate	2949 - 3006
Cotton	NCDEX	July	56,790	55,823	56,307	56,803	57,287	57,783	Bearish	Moderate	56065 - 57045
Dhaniya	NCDEX	Aug	7,244	7,149	7,197	7,247	7,295	7,345	Bearish	Moderate	7222 - 7320
Jeera	NCDEX	July	26,920	26,480	26,700	26,930	27,150	27,380	Bearish	Moderate	26590 - 27040
Guar Seed	NCDEX	Aug	5,535	5,464	5,500	5,536	5,572	5,608	Bearish	Moderate	5518 - 5590
Guar Gum	NCDEX	Aug	10,815	10,582	10,698	10,817	10,933	11,052	Bearish	Moderate	10758 - 10993
Mentha Oil	MCX	July	957	942	949.87	954	962	966	Bullish	High	952 - 964
Turmeric	NCDEX	Aug	16,218	15,439	15,829	16,179	16,569	16,919	Flat	Moderate	16004 - 16744

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	74155	73760	73957	74248	74445	74736	Bullish	Moderate	73859 - 74347
Gold Comex	Comex	July	2452	2461	2457	2461	2457	2461	Bullish	Moderate	2459 - 2459
Silver	MCX	Sep	91772	90665	91219	91944	92498	93223	Bearish	Moderate	90942 - 92221
Silver Comex	Comex	Aug	30.06	29.33	29.70	30.15	30.51	30.96	Bearish	Moderate	30 - 30
Crude	MCX	July	6846	6699	6772	6830	6903	6961	Bullish	High	6801 - 6932
Crude Nymex	Nymex	Sep	81.30	79.73	80.52	81.39	82.18	83.05	Bullish	Moderate	80 - 82
Nat Gas	MCX	July	178	166	172	175	181	185	Bearish	Moderate	174 - 183
BullDex	MCX	July	18956	18861	18909	18997	19045	19133	Bearish	Moderate	18885 - 19021
Copper	MCX	July	827.90	816	822	833	839	850	Bearish	Moderate	819 - 836
Zinc	MCX	July	269.90	265	268	271	274	277	Bearish	Moderate	266 - 272
Lead	MCX	July	188	186	187	189	190	191	Bearish	Moderate	186 - 189
Aluminum	MCX	July	221.85	220	221	223	224	226	Bearish	Moderate	222 - 225

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