



Monday, July 22, 2024

Overview

- China cut its 1 and 5-year loan prime rates by 10 bps each
- Oil hovers near 4-week low
- Gold prices dented by profit booking and firm dollar
- This week PMI figures and Core PCE Index will be in focus.

Precious Metals

Gold and Silver prices fell sharply in the previous week, dented by a mix of profit-taking, interest rate cuts expectations and as speculation over a potential Donald Trump presidency along with stricter U.S. trade policies which favored the dollar. Initial strength in gold was driven chiefly by growing optimism over interest rate cuts in the U.S., with traders seen pricing in an over 95% chance the Federal Reserve will cut rates by 25 bps in September as suggested by CME Fed-watch. While these bets still remained in place, dollar found some strength this week from unexpectedly strong Philly fed manufacturing index and jobless claims data, which showed the labor market- a key consideration for the Fed to begin cutting interest rates- remained resilient. Along with jobless claims, US Retail sales and IIP were also reported better than expectations weighing on bullions. Lack of positive development in China and no announcement in Third plenum weighed on industrial metal along with silver. Speculation over a second term for Trump- after the failed assassination attempt- also benefited the dollar, on bets that Trump's protectionist policies could direct more capital back into the country. There are quite a few important data points scheduled in the docket, focus this week will be on preliminary manufacturing and services PMI data from major economies, US GDP, inflation and Durables goods orders data. Volatility in domestic market could also be expected on the back of Union budget.

Precious metals	Close (\$)	%Chg.
Gold	2406.6	0.2%
Silver	29.14	-0.4%
CFTC data	Speculative Longs	Change WoW
Gold	220359	28756
Silver	38638	-1165
ETF	Close	%Chg.
GOLD ETF	1954.6	-3.88
Silver ETF	25112	122.11
Others	Close	%Chg.
DXY	104.40	-0.1%
US 10Y Yields	4.23	1.2%

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Base Metals

Base metal prices recorded its biggest weekly loss in two years amidst rise in Dollar Index and as market was disappointed by a lack of new policy measures in China. The Third Plenum brought together China's leaders to map out the general direction of the country's long-term social and economic policies, but nothing major was announced to rectify weak economic growth. Sentiment hasn't been helped by ballooning inventories. Stockpiles held in LME warehouses have more than doubled since mid-May. China's unwrought copper exports hit a record for a second consecutive month, as weak domestic demand forces traders to rely on international markets. In the early morning session PBoC has cut on and five-year loan prime rates—the one-year rate has been cut to 3.35% v/s 3.45% and 5-year rate has been cut to 3.85% v/s 3.95%, supporting industrial metals

Energy

Crude oil prices traded steady in morning session after prices saw a fall for a second consecutive week on a broad risk-off tone across markets. The consistent stream of positive news for oil from the United States, crowned by a largely unexpected 5-million-barrel drop in US crude stocks, offset by disappointment in China's outlook. Along with this, short-term supply concerns minimized losses. Canadian wildfires are again threatening 400kb/d of oil production. This comes ahead of a meeting of OPEC's monitoring committee, which will review the progress of the supply agreement between it and OPEC allies made earlier this year. Russia is also yet to outline its plan to reduce output to make up for overproducing under the current agreement. Natural gas prices faced downward pressure this week amid bearish fundamental development of robust production levels and ample storage supplies. The mixed demand outlook failed to provide sufficient support, leading to a continuation of the downward trend. However, the gradual restart of the Freeport LNG terminal offered some support at lower levels. For this week, market participants will focus on Preliminary Mfg. and Services PMI data from U.S.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	820	-1.5%
Aluminium	2210	-0.3%
Nickel	1393	-1.7%
Lead	187	-0.4%
Zinc	261	-0.4%

Inventory		Current	W/W Chg.	Units
Copper	LME	231425	4000	MT
	Shanghai	309182	-6926	MT
Aluminum	LME	960075	-3750	MT
	Shanghai	265822	3622	MT
Nickel	LME	102540	720	MT
	Shanghai	17624	-166	MT
Lead	LME	208150	-275	MT
	Shanghai	40510	-18898	MT
Zinc	LME	240275	-2325	MT
	Shanghai	120054	-5838	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	78.94	-1.5%
Natural gas	2.17	0.1%

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	263549	10745
Natural Gas	-58050	-23733

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		
-14.1%	177	82	2976	71000	37.5	1186	1611	-1.0%	
-37.5%	130	382	2559.5	71500	82.5	1032	357	-11.4%	
-16.2%	420	797	1951	72000	151	7055	1901	-18.6%	
4.9%	172	399	1502	72500	262	4286	597	4.2%	
109.5%	1418	12534	1107	73000	477	16758	1705	-17.6%	
256.8%	528	4448	759	73500	784.5	2347	368	-13.2%	
54.5%	2109	11814	484	74000	1180	2891	1337	-12.0%	
36.2%	470	1320	303.5	74500	1713	156	21	-59.6%	
-3.0%	1376	3854	170	75000	2141	158	201	-6.9%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
277.5%	1627	19693	323.4	6600	169.4	67820	1295	-33.5%	
1193.9%	427	3923	287.9	6650	196.3	13011	244	51.6%	
351.2%	7553	78725	255.4	6700	222.7	95509	2834	-38.1%	
1240.0%	1809	21670	226	6750	254.7	26783	619	-2.1%	
346.4%	16792	154518	197.5	6800	286.9	126153	6315	-6.6%	
403.4%	4098	39264	173.7	6850	324.2	17408	533	-7.8%	
179.3%	14384	150176	149.8	6900	364.2	68263	2799	-12.4%	
74.8%	3543	35606	128.2	6950	402.1	2169	27	-88.1%	
156.7%	11414	90151	111	7000	442.2	10746	544	-37.0%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	0	0	37.75	140	0.1	1107	3057	3.7%	
10.5%	21	60	27.8	150	0.1	7400	6878	-3.5%	
-9.7%	214	5545	18.4	160	0.35	36069	7091	17.4%	
-11.3%	259	12606	13.9	165	0.8	37667	4676	1.4%	
-7.7%	5142	63246	9.6	170	255	131153	12133	0.3%	
-4.1%	6650	122553	6.4	175	3.15	116554	5587	15.0%	
-5.6%	11073	125723	4.25	180	5.8	66891	5961	5.6%	
-1.2%	14715	54543	1.75	190	13.45	6993	3607	-3.6%	
1.9%	15907	26122	0.65	200	22.6	789	3349	-1.8%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Aug	6,031	5,994	6,012	6,036	6,054	6,078	Bearish	Moderate	6003 - 6045
Cocudakl	NCDEX	Aug	2,867	2,866	2,866	2,867	2,867	2,868	Bearish	Moderate	2867 - 2868
Cotton	NCDEX	July	56,790	55,823	56,307	56,803	57,287	57,783	Bearish	Moderate	56065 - 57045
Dhaniya	NCDEX	Aug	7,150	7,150	7,150	7,150	7,150	7,150	Bearish	Moderate	7150 - 7150
Jeera	NCDEX	July	26,655	26,315	26,485	26,600	26,770	26,885	Bearish	Moderate	26400 - 26685
Guar Seed	NCDEX	Aug	5,495	5,266	5,380	5,507	5,621	5,748	Bearish	Moderate	5323 - 5564
Guar Gum	NCDEX	Aug	10,550	10,550	10,550	10,550	10,550	10,550	Bearish	Moderate	10550 - 10550
Mentha Oil	MCX	July	959	948	953.73	964	970	980	Bearish	Moderate	951 - 967
Turmeric	NCDEX	Aug	15,876	15,639	15,757	15,919	16,037	16,199	Flat	Moderate	15698 - 15978

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	72990	72326	72658	73262	73594	74198	Bearish	Moderate	72492 - 73428
Gold Comex	Comex	July	2396	2384	2390	2405	2410	2425	Bearish	Moderate	2387 - 2407
Silver	MCX	Sep	89646	87948	88797	90119	90968	92290	Bearish	Moderate	88373 - 90544
Silver Comex	Comex	Aug	29.13	28.38	28.76	29.30	29.68	30.22	Bearish	Moderate	29 - 29
Crude	MCX	July	6725	6572	6649	6788	6865	7004	Bearish	Moderate	6611 - 6827
Crude Nymex	Nymex	Sep	78.64	76.77	77.71	79.52	80.46	82.27	Bearish	Moderate	77 - 80
Nat Gas	MCX	July	178	170	174	176	180	182	Bearish	Moderate	175 - 181
BullDex	MCX	July	18630	18459	18545	18697	18783	18935	Bearish	Moderate	18502 - 18740
Copper	MCX	July	820.30	813	817	823	827	833	Bearish	Moderate	815 - 825
Zinc	MCX	July	260.95	254	258	264	267	273	Bearish	Moderate	256 - 265
Lead	MCX	July	187	186	187	187	188	188	Bearish	Moderate	186 - 188
Aluminum	MCX	July	220.70	219	220	221	222	224	Bearish	Moderate	219 - 222

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