



Tuesday, July 23, 2024

## Overview

- Gold steadies ahead of key economic data from the US to reinforce rate cut bets
- Natural gas rose as Freeport LNG resumes shipments after Hurricane Beryl
- This week PMI figures and Core PCE Index will be in focus.

## Precious Metals

Gold prices fell below \$2400, to a more than one-week low in yesterday's session, as the dollar firmed, while investors awaited more U.S. economic data and comments from Federal Reserve officials this week for clarity on the timeline for interest rate cuts. The dollar rose and held steady above 104 mark; and US 10Y Yield was firm at ~4.2% was weighing on bullion prices. Gold after marking all all-time high on both Comex and on domestic front, inched lower in the back of mixed economic data from US, rise in Dollar index and US Yields, hawkish comments from Governor Powell and US political uncertainty. Few weeks back a failed assassination attempt on former president Trump was made and now in another twist, President Biden announced that he was exiting the Presidential race and endorsed Kamala Harris. Some softness in the physical market in China also weighed on sentiment. The premium gold on Shanghai Gold Exchange held against its London counterpart has recently flipped to a discount, signaling falling demand. Money markets are pricing in a 90% probability for a 25bps Fed rate cut by September, according to CME's Fed-Watch data. The market is now looking out for U.S. gross domestic product data for the second quarter on Thursday, as well as the personal consumption expenditure data on Friday. Volatility in domestic market could also be expected on the back of Union budget.

Precious metals	Close (\$)	%Chg.
Gold	2397.6	0.0%
Silver	28.99	-0.7%
CFTC data	Speculative Longs	Change WoW
Gold	220359	28756
Silver	38638	-1165
ETF	Close	%Chg.
GOLD ETF	1949.5	-5.11
Silver ETF	25606	494.12
Others	Close	%Chg.
DXY	104.31	-0.1%
US 10Y Yields	4.24	0.5%

## Base Metals

Base metals prices climbed after recent falls, although gains were limited by concerns about demand from China. Copper reversed from the lowest level in more than three months it hit at start of this week. China last week reported weaker-than-expected second-quarter economic growth, raising concerns about metals demand in China and sparking a sell-off in the market. China surprised markets by cutting major short- and long-term interest rates, its first such broad move since August last year. PBoC cut one 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. However, market participants were startled that no major announcements or stimulus measures were announced at the Third Plenum last week. Sentiment wasn't helped by signs of further weakness in the physical market, China's refined copper exports surged to a record high of 157.8kt in June, more than double from May.

## Energy

Oil prices eased further as markets contemplate what a Trump White House would mean. In his first term, Trump encouraged the US oil industry to pump as much oil as possible. Worries about slowing global growth weighing oil demand remained front and center after China, the world's largest oil importer, unexpectedly lowered its benchmark loan prime rates earlier Monday, seeking to revive economic growth. Despite the recent slump in front-month prices, WTI's prompt spread — the difference between its two nearest contracts — has strengthened to \$1.53 in backwardation, which signals demand is outweighing supplies in the short term. Traders are also monitoring Canada, where a blast of heat across the Alberta oil patch has triggered a wave of wildfires. An estimated 348,000 barrels a day of production are at risk. Natural gas prices jumped about 6% to a 1-week high on Mon with an increase in the amount of LNG export plants as Freeport started exporting cargoes again after shutting for Hurricane Beryl in early July. Meanwhile, the hottest weather of the summer forecasted in early August, supporting prices. The market is now looking out for U.S. gross domestic product data for the Q2 on Thursday, as well as the personal consumption expenditure data on Friday.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	814	-0.9%
Aluminium	216 <sup>P</sup>	-0.5%
Nickel	1379	-1.0%
Lead	187	-0.1%
Zinc	264	-1.9%

Inventory		Current	W/W Chg.	Units
Copper	LME	234400	2975	MT
	Shanghai	309182	-6926	MT
Aluminum	LME	956200	-3875	MT
	Shanghai	265822	3622	MT
Nickel	LME	102720	180	MT
	Shanghai	17422	-202	MT
Lead	LME	209075	925	MT
	Shanghai	40510	-18898	MT
Zinc	LME	245775	5500	MT
	Shanghai	120054	-5838	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	78.49	0.3%
Natural gas	2.25	5.5%

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		
-4.5%	169	61	1930	71000	46.5	2732	1197	-25.7%	
138.5%	310	437	1483.5	71500	87	1705	379	6.2%	
-3.3%	406	954	1000.5	72000	173	11196	1726	-9.2%	
48.8%	256	2684	631.5	72500	303.5	5919	690	15.6%	
30.7%	1854	17943	355	<b>73000</b>	572	9756	1544	-9.4%	
26.3%	667	4052	180.5	73500	956	505	356	-3.3%	
19.9%	2528	7524	103	74000	1395	421	1280	-4.3%	
-24.0%	357	658	67	74500	1751	12	17	-19.0%	
10.0%	1514	2491	39	75000	2454	23	182	-9.5%	

## MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	1	2	319.6	6350	87.1	4543	101	0.0%	
451.9%	425	7548	303.5	6400	103	56589	1638	144.8%	
0.0%	503	1589	250.6	6450	120.5	10595	533	3035.3%	
550.4%	3434	70865	238.4	6500	141.6	102126	3034	120.5%	
2151.2%	968	22997	210.9	<b>6550</b>	165.6	27881	518	482.0%	
273.2%	6072	113943	183.6	6600	191.2	103642	2956	128.3%	
321.8%	1801	16918	161.3	6650	219.3	4719	198	-18.9%	
52.1%	11491	97767	138	6700	247.5	32992	2932	3.5%	
86.7%	3377	36248	121.4	6750	279.7	4646	603	-2.6%	

## MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	2	0	21.45	155	0.05	1991	2607	-9.9%	
-40.9%	153	1036	13.15	165	0.05	9115	3410	-27.1%	
-13.8%	5729	42707	5.55	175	0.3	50247	9881	76.9%	
-35.2%	7180	116420	3.4	180	1	132588	11050	85.4%	
-42.8%	4297	147026	1.95	<b>185</b>	255	135972	6224	99.2%	
-28.0%	10592	177677	1	190	4.65	92894	4063	12.6%	
-10.6%	6609	57600	0.5	195	7.9	20474	2510	-1.3%	
-14.4%	5112	13116	0.2	205	17.05	380	1179	-2.1%	
-3.1%	2800	4135	0.1	215	26.8	42	429	-2.1%	

## Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Aug	6,134	6,006	6,070	6,104	6,168	6,202	Bearish	Moderate	6087 - 6185
Cocudakl	NCDEX	Aug	2,950	2,905	2,927	2,942	2,964	2,979	Bearish	Moderate	2935 - 2972
Cotton	NCDEX	July	58,350	58,143	58,247	58,323	58,427	58,503	Bearish	Moderate	58195 - 58375
Dhaniya	NCDEX	Aug	7,198	7,126	7,162	7,200	7,236	7,274	Bearish	Moderate	7144 - 7218
Jeera	NCDEX	July	26,240	25,553	25,897	26,343	26,687	27,133	Bearish	Moderate	25725 - 26515
Guar Seed	NCDEX	Aug	5,479	5,403	5,441	5,468	5,506	5,533	Bearish	Moderate	5455 - 5520
Guar Gum	NCDEX	Aug	10,717	10,512	10,615	10,682	10,785	10,852	Bearish	Moderate	10649 - 10819
Mentha Oil	MCX	July	952	941	946.20	953	958	965	Bearish	Moderate	943 - 955
Turmeric	NCDEX	Aug	16,048	15,620	15,834	16,150	16,364	16,680	Flat	Moderate	15992 - 16522

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	72718	72117	72418	72801	73102	73485	Bearish	Moderate	72268 - 72952
Gold Comex	Comex	July	2392	2399	2395	2399	2395	2399	Bearish	Moderate	2397 - 2397
Silver	MCX	Sep	89203	87905	88554	89149	89798	90393	Bearish	Moderate	88230 - 89474
Silver Comex	Comex	Aug	29.15	28.50	28.82	29.11	29.44	29.73	Bearish	Moderate	29 - 29
Crude	MCX	July	6560	6430	6495	6564	6629	6698	Bearish	Moderate	6463 - 6597
Crude Nymex	Nymex	Sep	78.40	76.78	77.59	78.36	79.17	79.94	Bearish	Moderate	77 - 79
Nat Gas	MCX	July	188	173	181	185	193	198	Flat	Moderate	183 - 195
BullDex	MCX	July	18528	18391	18460	18568	18637	18745	Bearish	Moderate	18426 - 18603
Copper	MCX	July	814.00	804	809	816	820	827	Bearish	Moderate	807 - 818
Zinc	MCX	July	263.75	255	259	262	267	269	Bearish	Moderate	261 - 268
Lead	MCX	July	187	186	186	187	188	188	Bearish	Moderate	186 - 187
Aluminum	MCX	July	215.75	211	213	217	220	224	Bearish	Moderate	212 - 219

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