



Wednesday, July 24, 2024

## Overview

- Gold and silver prices fell after a cut in import duties announced in the budget took the market by surprise
- Crude rose, driven by a larger-than-expected drawdown in US crude inventories acc. to API
- Today PMI figures and EIA crude inventories will be in focus.

## Precious Metals

Gold and Silver on domestic front languished in the previous session as the Finance Minister of India announced a cut in import duties taking the market by surprise. Market was already discounting around ~2% cut as the discount as per parity reached ~1500. As per the announcement, the government will charge 5% basic customs duty (BCD) and 1% in Agriculture Infrastructure & Development Cess (AIDC) on gold and silver imports, lowering import duties to 6% from 15%. This move could lift retail demand and help cut smuggling activities, Reuters report also suggested that jewelers for the first time in eleven weeks charged a premium of \$20. On other hand, move on prices on Comex rose, increasing the disparity of it with the domestic prices. Market participants are still focusing on change in rate cut expectations by Fed; bets for a rate cut in September are above 90%, cushioning prices on lower end. US existing home sales was recorded lower than expectations, supporting; however, a cautious approach is advised as US GDP and PCE price index is scheduled on calendar this week. Domestic prices could also take some time to digest the full impact of duty cut and get to parity with Comex.

Precious metals	Close (\$)	%Chg.
Gold	2414.1	0.2%
Silver	29.30	0.3%
CFTC data	Speculative Longs	Change WoW
Gold	220359	28756
Silver	38638	-1165
ETF	Close	%Chg.
GOLD ETF	1949.7	0.15
Silver ETF	25736	129.36
Others	Close	%Chg.
DXY	104.45	0.0%
US 10Y Yields	4.26	-0.5%

## Base Metals

Copper extended recent losses as concerns mount over demand in China for the industrial metal, the metal has now fallen across seven consecutive sessions and is at its lowest level since early April. Physical demand in China has been dampened by recent price surges and a protracted property crisis, additionally investors are also disappointed that no meaningful announcement was made in the third plenum regarding stimulus measures that would help boost demand. Data released this week shows the current mismatch in supply and demand. Global refined copper production grew 6% in the first five months of the year, according to the International Copper Study Group, demand only rose 3.7%, resulting in a surplus of about 496kt over the period. This has led to stockpiles on the London Metal Exchange more than doubling to reach a three year high of 236.7kt. Firm Dollar Index also is important to keep an eye on as, it rose from the recent lows of 103.65 to currently at 104.50, weighing on prices.

## Energy

Oil prices saw a relief rally after API showed that U.S. crude inventories fell by about 3.9M barrels compared with forecasts build of 700,000 barrels. Nationwide crude stockpiles have dropped for the past three weeks, reaching the lowest level since February. However, the overall trend remains negative as the Ceasefire negotiations in the Middle East and an uncertain macroeconomic outlook in China are exerting downward pressure on oil prices. Meanwhile, Wildfires in Alberta pose a potential risk to crude supplies in Canada though production has remained solid so far. The worst of the wildfire season likely lies ahead, with a third of the wildfires in Alberta burning out of control, threatening 400,000 bpd in production. Natural gas prices surged, driven by increased gas flow to U.S. LNG export plants, particularly as Freeport LNG in Texas resumed exports after a shutdown due to Hurricane Beryl. Additionally, forecasts of the hottest weather of the summer enveloping much of the U.S. Lower 48 states in early August further supported the bullish sentiment. LSEG reported a rise in gas output in the Lower 48 states to an average of 102.1 bcfd in July, up from 100.2 bcfd in June, rebounding from a 17-month low of 99.4 bcfd in May.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	807	-0.8%
Aluminium	2140	-2.3%
Nickel	1372	-0.6%
Lead	187	0.1%
Zinc	260	1.1%

Inventory		Current	W/W Chg.	Units
Copper	LME	236700	2300	MT
	Shanghai	309182	-6926	MT
Aluminum	LME	952225	-3975	MT
	Shanghai	265822	3622	MT
Nickel	LME	102960	240	MT
	Shanghai	17182	-240	MT
Lead	LME	253550	44475	MT
	Shanghai	40510	-18898	MT
Zinc	LME	247425	1650	MT
	Shanghai	120054	-5838	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	77.33	-0.2%
Natural gas	2.17	-2.9%

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

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
0.0%	27	206	4138.5	68500	365.5	3440	293	2341.7%
0.0%	957	8904	3639	<b>69000</b>	591	17956	510	308.0%
0.0%	94	648	3139	69500	957	40	3	0.0%
1755.3%	1744	15856	2875	70000	1406.5	7412	331	-55.5%
0.0%	115	882	2140	70500	1856	999	89	-25.8%
924.9%	1732	12222	1652.5	71000	2333.5	6148	991	-17.2%

## MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
0.0%	0	0	346.6	6250	82.8	2737	93	3000.0%
350.7%	311	5047	333.3	6300	97.1	70747	1782	20.5%
700.0%	8	284	304.5	6350	114.8	13830	157	55.4%
597.9%	2966	57628	263.6	6400	135.3	104756	2341	42.9%
19.1%	599	11963	231.3	<b>6450</b>	158.8	28030	754	41.5%
167.7%	9193	138157	202.8	6500	183	143253	3656	20.5%
136.5%	2289	31830	177.7	6550	209.5	44238	1177	127.2%
73.6%	10541	141146	153.8	6600	244.1	94737	3816	29.1%
24.2%	2236	20148	130.3	6650	277.4	4955	115	-41.9%

## MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
0.0%	2	0	33.2	155	0.05	246	2418	-7.2%
-17.6%	126	236	23.1	165	0.05	4597	2942	-13.7%
-2.7%	5576	19058	13.7	175	0.25	38487	9712	-1.7%
-16.5%	5998	95352	9.25	180	1.2	173515	11439	3.5%
37.2%	5897	161747	5.8	<b>185</b>	255	172285	4836	-22.3%
11.1%	11772	181819	3	190	7.05	114260	3639	-10.4%
4.1%	6880	59676	1.45	195	11.65	23111	2498	-0.5%
-9.4%	4634	14460	0.45	205	21.6	291	1172	-0.6%
-9.2%	2542	2236	0.15	215	31.4	37	421	-1.9%

## Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Aug	6,112	6,063	6,088	6,117	6,142	6,171	Bearish	Moderate	6076 - 6130
Cocudakl	NCDEX	Aug	2,984	2,908	2,946	2,970	3,008	3,032	Bearish	Moderate	2958 - 3020
Cotton	NCDEX	July	57,990	57,630	57,810	58,040	58,220	58,450	Bearish	Moderate	57720 - 58130
Dhaniya	NCDEX	Aug	7,224	7,103	7,163	7,213	7,273	7,323	Bearish	Moderate	7188 - 7298
Jeera	NCDEX	July	26,250	25,657	25,953	26,197	26,493	26,737	Bearish	Moderate	26075 - 26615
Guar Seed	NCDEX	Aug	5,451	5,360	5,406	5,442	5,488	5,524	Bearish	Moderate	5424 - 5506
Guar Gum	NCDEX	Aug	10,669	10,490	10,579	10,660	10,749	10,830	Bearish	Moderate	10620 - 10790
Mentha Oil	MCX	July	969	933	951.40	970	988	1,007	Bullish	High	961 - 998
Turmeric	NCDEX	Aug	15,938	15,479	15,709	15,919	16,149	16,359	Bearish	Moderate	15594 - 16034

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	68510	65545	67027	69939	71421	74333	Bearish	Moderate	66286 - 70680
Gold Comex	Comex	July	2405	2384	2395	2399	2409	2413	Bearish	Moderate	2397 - 2411
Silver	MCX	Sep	84919	81330	83124	86070	87864	90810	Bearish	Moderate	82227 - 86967
Silver Comex	Comex	Aug	29.17	28.47	28.82	29.06	29.41	29.66	Bearish	Moderate	29 - 29
Crude	MCX	July	6458	6293	6375	6488	6570	6683	Bearish	Moderate	6334 - 6529
Crude Nymex	Nymex	Sep	75.92	74.15	75.04	76.33	77.22	78.51	Bearish	Moderate	75 - 77
Nat Gas	MCX	July	184	178	181	185	188	193	Flat	Moderate	179 - 187
BullDex	MCX	July	17532	16811	17172	17863	18224	18915	Bearish	High	16992 - 18044
Copper	MCX	July	807.00	796	801	807	813	819	Bearish	Moderate	799 - 810
Zinc	MCX	July	259.50	252	256	260	263	267	Bearish	Moderate	254 - 262
Lead	MCX	July	187	186	187	187	188	188	Bearish	Moderate	187 - 187
Aluminum	MCX	July	213.95	211	212	215	216	218	Bearish	Moderate	212 - 215

**Navneet Damani**

**Head Research- Currencies and Commodities**

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**Grievance Redressal Cell:**

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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