



Thursday, July 25, 2024

Overview

- Dollar index firm above 104 level
- Major Chinese bank deposit rates after reduction in lending rates
- Focus turned to upcoming U.S. growth and inflation readings for more economic cues.

Precious Metals

Gold and Silver prices witnessed a sharp selloff along with major asset classes. Domestic prices fell earlier this week on the back of customs duty cut announced by India Finance Minister in the recent Union Budget -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. Today's early morning sell off looks like a speculative profit booking, coupled with the duty cut impact on domestic front pulling the prices lower. Since past few weeks' economic data points from US are being reported better than expectations like US IIP, phily fed manufacturing, housing numbers weighing on bullions. Surprisingly, dollar index is firm above 104 while rate cut expectations by Fed are still at 90%. Despite hawkish comments from the Fed officials market participants are discounting a two rate cuts this year. It is important to note that US political uncertainty is also leading to volatility in major asset classes. Economic data points from US and updates from China will be important to keep an eye on.

Precious metals	Close (\$)	%Chg.
Gold	2372.4	-1.0%
Silver	27.89	-3.8%
CFTC data	Speculative Longs	Change WoW
Gold	220359	28756
Silver	38638	-1165
ETF	Close	%Chg.
GOLD ETF	1945.1	-4.55
Silver ETF	25639	-96.55
Others	Close	%Chg.
DXY	104.39	-0.1%
US 10Y Yields	4.26	1.1%

Base Metals

A risk-off tone across markets triggered by heavy losses in equity markets saw copper lead the base metals sector lower. The red metal settled at its lowest level in more than three months as weakness in China's economy fed expectations for a fall in demand. These concerns have been exacerbated by lack of further stimulus measures from Beijing. After the Third Plenum failed to reveal any policy response, the market is now looking ahead to the Politburo meeting next week for new measures that may support economic growth. Aluminum bucked the trend to end the session higher as the market weighs up the possibility that China's new emissions reduction plan may trigger smelter capacity cuts. In a government plan issued Tuesday, smelter capacity is required to be below baseline efficiency levels. If not, they may need to be phased out by the end of 2025. New coal-fired power generators for aluminum smelters will also no longer be approved. To help the industry, Beijing will support producers that consume more renewable energy.

Energy

Oil rose, clawing back from a run of losses, after a government report showed that US crude inventories fell to the lowest since February. US oil inventories shrank by 3.74 million barrels last week, the Energy Information Administration said. That was the fourth straight decline. Meanwhile, US gasoline inventories dropped the most since March, as some refineries remain shuttered and summer driving season propelled seasonal fuel demand on a four-week basis to the highest level since 2021. Also helping the tone were wildfires in Canada, which have forced some producers to curtail production and were threatening a large amount of supply. Bloomberg reported that 388,000 barrels per day of oil production is within 10 kilometers of fires that are at least 10 hectares in size. Natural gas slid about 3% to a 1-week low on forecasts for less demand next week than previously expected and update by EQT that it produced about 508 bcf in Q2 and projected output would rise to around 510-560 bcf in Q3 and 515-565 bcf in Q4. For today, market participants will keep a watch on Natural gas inventories due in the evening.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	796	-0.9%
Aluminium	213 ^D	-0.8%
Nickel	1358	-1.0%
Lead	190	1.7%
Zinc	260	1.1%

Inventory		Current	W/W Chg.	Units
Copper	LME	241750	5050	MT
	Shanghai	309182	-6926	MT
Aluminum	LME	948450	-3775	MT
	Shanghai	265822	3622	MT
Nickel	LME	103686	726	MT
	Shanghai	17092	-90	MT
Lead	LME	250950	-2600	MT
	Shanghai	40510	-18898	MT
Zinc	LME	245550	-1875	MT
	Shanghai	120054	-5838	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	76.91	-0.7%
Natural gas	2.14	-3.3%

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	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%	68	274	885	68000	25	903	86	0.0%
-11.1%	24	416	518.5	68500	66	6588	479	63.5%
5.0%	1005	17071	254	69000	198.5	17115	746	46.3%
440.4%	508	8644	120	69500	524	212	31	933.3%
19.4%	2082	12811	72.5	70000	966.5	550	192	-42.0%
47.0%	169	702	46	70500	1400.5	30	82	-7.9%

MCX Crude Oil

Call		Particulars			Put			
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
25.1%	389	7252	257.6	6300	73.6	54607	2280	27.9%
162.5%	21	190	225.2	6350	87.5	24213	533	239.5%
-46.7%	1581	51792	194.4	6400	104.4	111113	2589	10.6%
-9.5%	542	30440	167.6	6450	123.3	44742	1426	89.1%
-24.4%	6947	192391	145.3	6500	145.3	170778	5026	37.5%
-14.7%	1953	46079	123.8	6550	167	27671	1179	0.2%
-20.8%	8353	110203	105.6	6600	195.7	67127	3261	-14.5%
-4.9%	2127	22313	88.6	6650	226.1	2250	122	6.1%
-9.7%	12307	78811	75.7	6700	260	11916	2323	-7.7%

MCX Natural Gas

Call		Particulars			Put			
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
0.0%	0	0	43.6	140	0.05	3	2025	0.0%
-7.4%	25	15	33.75	150	0.05	3	6127	0.0%
-30.9%	76	391	23.75	160	0.05	241	5993	1.5%
-28.6%	90	1602	18.75	165	0.05	4921	4341	47.6%
-20.7%	2267	19505	13.75	170	255	36388	11167	-4.6%
-49.4%	2820	68685	8.8	175	0.05	103305	5229	-46.2%
18.9%	7132	150681	4.85	180	2.35	156074	3507	-69.3%
-20.3%	9382	29709	0.75	190	12.4	16812	2185	-40.0%
-10.8%	11212	6909	0.2	200	22.5	1645	1910	-24.7%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Aug	6,198	6,044	6,121	6,165	6,242	6,286	Bearish	Moderate	6143 - 6264
Cocudakl	NCDEX	Aug	2,925	2,807	2,866	2,924	2,983	3,041	Bearish	Moderate	2837 - 2954
Cotton	NCDEX	July	56,650	55,723	56,187	57,063	57,527	58,403	Bearish	Moderate	55955 - 57295
Dhaniya	NCDEX	Aug	7,216	7,176	7,196	7,220	7,240	7,264	Bearish	Moderate	7186 - 7230
Jeera	NCDEX	July	26,080	25,930	26,005	26,105	26,180	26,280	Bearish	Moderate	25968 - 26143
Guar Seed	NCDEX	Aug	5,412	5,362	5,387	5,411	5,436	5,460	Bearish	Moderate	5375 - 5424
Guar Gum	NCDEX	Aug	10,603	10,554	10,579	10,614	10,639	10,674	Bearish	Moderate	10567 - 10627
Mentha Oil	MCX	July	958	942	950.07	964	972	986	Bearish	Moderate	946 - 968
Turmeric	NCDEX	Aug	15,998	15,685	15,841	16,001	16,157	16,317	Bearish	Moderate	15763 - 16079

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	68952	68321	68636	68968	69283	69615	Bearish	Moderate	68802 - 69449
Gold Comex	Comex	July	2413	2406	2410	2415	2419	2425	Bullish	High	2408 - 2417
Silver	MCX	Sep	84894	84024	84459	85097	85532	86170	Bearish	Moderate	84242 - 85315
Silver Comex	Comex	Aug	29.15	28.62	28.88	29.17	29.43	29.72	Flat	Moderate	29 - 29
Crude	MCX	July	6521	6408	6465	6510	6567	6612	Bearish	Moderate	6488 - 6590
Crude Nymex	Nymex	Sep	76.58	75.38	75.98	76.53	77.13	77.68	Bearish	Moderate	76 - 77
Nat Gas	MCX	July	182	176	179	183	186	190	Bearish	Moderate	178 - 185
BullDex	MCX	July	17610	17467	17538	17623	17694	17779	Bearish	Moderate	17581 - 17737
Copper	MCX	July	795.65	785	790	800	806	816	Bearish	Moderate	787 - 803
Zinc	MCX	July	259.00	254	257	260	262	265	Bearish	Moderate	258 - 264
Lead	MCX	July	190	185	188	189	192	194	Bullish	High	189 - 193
Aluminum	MCX	July	213.10	210	212	213	215	216	Bearish	Moderate	211 - 214

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