



Thursday, August 01, 2024

Overview

- Fed keeps rate steady and signals rate cut in September
- Gold extended gains on dollar weakness
- Crude rose 4% amid increasing threat of a broader conflict in the Middle East

Precious Metals

Gold prices extended gains after Federal Reserve Chair Jerome Powell hinted that an interest rate cut could be on table as early as September if inflation stays in line with expectations. US policymakers voted to hold borrowing costs at a 23-year high for the eighth meeting in a row. Fed no longer needed to be “100% focused on inflation”, underscoring its shift to safeguarding the labour market. There are growth and labour concerns if interest rates remain at this level however, Fed reiterates that rate cuts are only possible until they are confident about inflation moving to 2% target. Governor Powell, also mentioned that Fed is not considering to cut rates larger than 50bps this year. On data front, US housing number was better than expectations however, US private payroll data reported job additions of 122k against expectations of 147k supporting safe haven buying and weighing on Dollar Index. Yen rallied against Dollar in the previous session as BOJ announced one more rate hike of 25bps. Adding further gains for precious metals pack is the Geo-political tensions, earlier this week, Israel target senior Hezbollah commander and are now expecting a retaliatory move. Focus now shifts to US weekly jobless claims and non-farm payroll this week.

Precious metals	Close (\$)	%Chg.
Gold	2442.0	-0.2%
Silver	28.87	-0.6%
CFTC data	Speculative Longs	Change WoW
Gold	198444	-21915
Silver	25801	-12837
ETF	Close	%Chg.
GOLD ETF	1957.1	0.29
Silver ETF	25835	62.46
Others	Close	%Chg.
DXY	104.10	-0.1%
US 10Y Yields	4.05	-0.9%

Base Metals

Base metals gained following weakness in the dollar after Fed kept rates steady at 5.5% this meeting while signalling the first cut is near stating that central bank is equally focused on the full-employment aspect of their dual mandate. Prices were also supported by China's leaders pledging to step up support measures especially those aimed at boosting consumer sentiment and stabilize market confidence at a Politburo meeting. Powell's positive tone contributed to the fall in Treasury yields and the dollar depreciated against other major currencies. Powell's dovish remarks boosted market expectations for a rate cut, with traders now pricing in at least two reductions by the end of the year. Additionally, the US July non-farm payrolls showed that the labor cost growth indicator cooled more than expected in Q2, supporting the trend of easing inflation pressures. The upcoming job report, due on August 2, will provide additional information on the Fed's prospective policy changes.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	795	0.3%
Aluminium	2100	0.0%
Nickel	1330	-0.5%
Lead	207	0.0%
Zinc	253	-0.9%

Inventory		Current	W/W Chg.	Units
Copper	LME	239275	-125	MT
	Shanghai	301203	-7979	MT
Aluminum	LME	933125	-3500	MT
	Shanghai	264158	-1664	MT
Nickel	LME	105186	96	MT
	Shanghai	16509	18	MT
Lead	LME	236925	-3025	MT
	Shanghai	40770	260	MT
Zinc	LME	236375	-2050	MT
	Shanghai	113978	-6076	MT

Energy

Oil prices rallied more than 5% on escalating geopolitical tensions in the Middle East after Iran ordered retaliation against Israel for the killing of a Hamas leader on its soil. The strike has dramatically heightened tensions in the region and is likely to undermine Gaza ceasefire talks, with Iran, Qatar, Jordan, and Lebanon all condemning Israel. Elsewhere, in broader markets, Traders embraced risk after the Fed signalled it is moving closer to lowering borrowing costs amid easing inflation and a cooling labour market. Meanwhile, EIA data showed a drawdown in crude inventories by 3.4 Mbs, reaching the lowest level since February. Stockpiles have slid for five straight weeks, the longest streak of declines since January 2022. An OPEC+ committee meeting scheduled for today, with markets split on whether the alliance will proceed with a scheduled output increase next quarter. Limiting gains however was disappointing data from China after China's manufacturing activity fell for a third consecutive month in July, increasing pressure on policymakers to speed up stimulus measures to boost the world's second-biggest economy. For today, market participants will keep a watch on Natural gas inventories.

Energy	Close (\$)	%Chg.
WTI Crude oil	78.44	-0.3%
Natural gas	2.06	-4.4%

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	239237	-24312
Natural Gas	-55719	2331

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
-9.3%	98	85	2189.5	67000	269	767	822	17.8%
0.0%	2	0	2547.5	67500	487.5	1	4	33.3%
-16.2%	351	577	1448.5	68000	425.5	1747	964	17.1%
-33.9%	39	150	1163.5	68500	579	164	91	21.3%
-17.3%	1126	3230	894.5	69000	753	2357	940	17.1%
660.0%	38	84	664.5	69500	1792	0	0	0.0%
7.6%	2241	4560	515	70000	1253.5	325	610	3.0%
0.0%	0	0	1120	70500	2358	0	0	0.0%
12.0%	1516	1334	307.5	71000	2029.5	47	231	8.5%

MCX Crude Oil

Call		Particulars			Put			
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-69.7%	2578	73670	150.5	6300	64.8	165915	11015	21.8%
-63.2%	1247	28846	128.1	6350	79.1	53860	2638	71.0%
-60.4%	5090	204277	107.8	6400	96.2	193427	10290	138.5%
-24.8%	4100	88160	90	6450	114.9	58931	2757	69.0%
-60.8%	7996	242523	75.3	6500	138.1	169592	7984	28.4%
-39.7%	2566	43926	62.9	6550	161.8	13805	1226	5.7%
-50.6%	7165	131502	53.1	6600	191.9	29719	3294	15.2%
-5.2%	2812	30396	44.2	6650	224.3	534	44	-32.3%
-45.5%	7923	92455	37.8	6700	257.8	5051	1831	12.3%

MCX Natural Gas

Call		Particulars			Put			
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
0.0%	210	234	31	150	3.3	14260	3597	10.0%
183.6%	553	3916	23.4	160	6.25	21548	3138	-6.2%
14.5%	2963	28478	16.7	170	10.55	49119	4154	-26.5%
38.9%	4028	34886	13.8	175	13.1	33014	1953	-8.9%
71.1%	9247	59278	11.2	180	255	34990	3539	10.7%
82.6%	4360	24221	9.1	185	19.45	4456	1082	17.4%
33.9%	6219	29171	7.25	190	23	4174	1409	20.0%
20.8%	6794	22524	4.6	200	31	387	1273	-3.0%
32.3%	3385	9871	2.85	210	36.5	7	335	0.9%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Aug	6,167	6,098	6,132	6,161	6,195	6,224	Bearish	Moderate	6147 - 6210
Cocudakl	NCDEX	Aug	2,889	2,826	2,857	2,877	2,908	2,928	Bearish	Moderate	2867 - 2918
Cotton	NCDEX	July	56,670	56,170	56,420	56,670	56,920	57,170	Bearish	Moderate	56545 - 57045
Dhaniya	NCDEX	Aug	7,254	7,173	7,213	7,251	7,291	7,329	Bearish	Moderate	7232 - 7310
Jeera	NCDEX	July	26,835	26,552	26,693	26,842	26,983	27,132	Bearish	Moderate	26623 - 26913
Guar Seed	NCDEX	Aug	5,661	5,410	5,535	5,634	5,759	5,858	Bearish	Moderate	5585 - 5809
Guar Gum	NCDEX	Aug	11,217	10,592	10,905	11,147	11,460	11,702	Bearish	Moderate	11026 - 11581
Mentha Oil	MCX	July	952	934	942.80	949	958	964	Bullish	High	946 - 961
Turmeric	NCDEX	Aug	15,858	15,171	15,515	15,877	16,221	16,583	Strong	Moderate	15696 - 16402

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	69655	69288	69471	69584	69767	69880	Flat	Moderate	69528 - 69824
Gold Comex	Comex	July	2427	2381	2404	2426	2448	2470	Bullish	High	2415 - 2459
Silver	MCX	Sep	83596	82412	83004	83482	84074	84552	Flat	Moderate	83243 - 84313
Silver Comex	Comex	Aug	28.94	28.04	28.49	28.84	29.29	29.63	Flat	Moderate	29 - 29
Crude	MCX	July	6524	6268	6396	6466	6594	6664	Flat	Moderate	6431 - 6629
Crude Nymex	Nymex	Sep	76.84	72.95	74.89	76.22	78.16	79.49	Flat	Moderate	76 - 79
Nat Gas	MCX	July	173	165	169	175	178	184	Bearish	Moderate	167 - 177
BullDex	MCX	July	17588	17465	17526	17562	17623	17659	Flat	Moderate	17544 - 17641
Copper	MCX	July	794.55	783	789	792	798	801	Flat	Moderate	791 - 800
Zinc	MCX	July	252.50	249	251	252	254	255	Bearish	Moderate	251 - 254
Lead	MCX	July	207	205	206	207	208	209	Bullish	Moderate	207 - 209
Aluminum	MCX	July	209.55	208	209	209	210	211	Bearish	Moderate	209 - 210

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