



Friday, August 02, 2024

Overview

- Gold on track for a weekly gain, driven by firm rate cut cues
- Oil inched lower amidst global oil demand concerns
- Focus today remains on US labour market data.

Precious Metals

Gold prices extended gains amidst weaker than expected economic data and after Federal Reserve Chair Jerome Powell hinted that an interest rate cut could be on the table as early as September if inflation stays in line with expectations. Despite Fed meeting and economic numbers dollar rallied to 0.3% recovering from a 50bps fall recorded post Fed meeting. CME Fed watch-tool suggest that market participants are starting to price in three rate cuts this year, starting this September, due to which US 2Y Yield fell to the lowest in 52weeks and US 10 Y yield fell below 4%. US policymakers voted to hold borrowing costs at a 23-year high for the eighth meeting in a row. There still are Inflation concerns, but looking at growth and labour market also becomes important for the Fed. Geo-political tensions are triggering volatility, as earlier this week, Israel targeted senior Hezbollah commander, while yesterday US, Russia and few other countries exchanged 26 prisoners, in a largest swap since cold war, weighing on prices. On data front, along with US ADP, weekly jobless claims and ISM Manufacturing PMI were reported lower than expectations. Market participants are now cautiously awaiting US non-farm and unemployment rate scheduled later today which could provide clarity regarding interest rate cuts.

Precious metals	Close (\$)	%Chg.
Gold	2451.0	0.2%
Silver	28.61	0.2%
CFTC data	Speculative Longs	Change WoW
Gold	198444	-21915
Silver	25801	-12837
ETF	Close	%Chg.
GOLD ETF	1960.2	3.11
Silver ETF	25784	-51.11
Others	Close	%Chg.
DXY	104.42	0.0%
US 10Y Yields	3.95	-3.2%

Base Metals

Base metals gave up gains brought 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. Mounting demand concerns from China and rising inventories are keeping prices pressured. Aluminum still shows a pattern of supply growth and weak demand, with inventories at a high level. Recent data shows that China's manufacturing data fell below the 50 mark, with July manufacturing data marking the first contraction in nine months, deepening market concerns and causing copper prices to decline further. Chinese smelters are reportedly exploring new projects to meet output demands, contradicting earlier reports of a joint production cut to lift treatment charges. The upcoming job report from US today will provide additional information on the Fed's prospective policy changes.

Energy

Oil prices settled lower, giving up geopolitical-infused gains amid concerns about a slowing U.S. economic growth denting crude demand. In U.S., a raft of weaker-than-expected purchasing manager's index data, ramped up concerns over a slowdown in global economic growth. The data followed dismal readings from top oil importer China. On geopolitical front, until investors see global supply actually taken off the market, the rally seems to be overextended. The escalation comes as a review meeting by key members of the Organization of the Petroleum Exporting Countries and its allies made no recommendation on output policy. The group has previously announced plans to gradually restore output starting in October, but reiterated that it can pause or reverse the move if it needs to. Natural gas prices fell about 3% on rising output and forecasts for less demand next week. Prices fell despite a bullish smaller-than-expected of 18 bcf compared to expectations for a higher build of 33 bcf weekly storage build and forecasts for record-breaking heat over the next few days. Market participants are now cautiously awaiting US non-farm and unemployment rate scheduled later today which could provide clarity regarding interest rate cuts.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	790	1.3%
Aluminium	2120	0.0%
Nickel	1380	3.8%
Lead	187	-9.9%
Zinc	250	1.8%

Inventory		Current	W/W Chg.	Units
Copper	LME	245150	5875	MT
	Shanghai	301203	-7979	MT
Aluminum	LME	929325	-3800	MT
	Shanghai	264158	-1664	MT
Nickel	LME	109950	4764	MT
	Shanghai	16539	30	MT
Lead	LME	234325	-2600	MT
	Shanghai	40770	260	MT
Zinc	LME	234675	-1700	MT
	Shanghai	113978	-6076	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	76.63	-0.3%
Natural gas	1.99	-3.5%

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	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
0.0%	2	0	2797	67500	773	0	4	0.0%
-6.6%	328	345	1771	68000	268	3159	1116	15.8%
-15.4%	33	38	1413	68500	374	424	116	27.5%
-12.8%	982	2552	1116	69000	556	5223	1177	25.2%
52.6%	58	388	862.5	69500	778.5	98	25	0.0%
-8.7%	2047	9091	661	70000	1030	2954	716	17.4%
0.0%	2	9	1239	70500	1150	1	1	0.0%
8.1%	1639	4286	383.5	71000	1717	236	221	-4.3%
0.0%	0	0	896	71500	2744.5	0	0	0.0%

MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
111.2%	433	1702	364	6200	125.5	0	0	-100.0%
-31.2%	97	696	323.5	6250	62	25429	2427	-19.2%
-3.5%	2489	13625	282.1	6300	79.9	113885	9960	-9.6%
-1.0%	1235	4676	245.8	6350	100.1	43258	2272	-13.9%
2.0%	5193	61011	215.3	6400	124.7	158718	5584	-45.7%
-13.1%	3561	30731	184.4	6450	150.7	67286	2323	-15.7%
54.5%	12353	199720	160.3	6500	181.1	229747	7389	-7.5%
68.6%	4327	83025	135.5	6550	211.2	66422	1300	6.0%
104.7%	14667	217017	114.8	6600	248.4	153750	3727	13.1%

MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
41.0%	296	1002	25.6	150	3.65	16997	3625	0.8%
70.5%	943	6807	18.65	160	6.85	28946	3198	1.9%
77.4%	5256	47060	12.9	170	11.6	56879	4677	12.6%
39.1%	5601	50504	10.55	175	14.55	36982	1953	0.0%
31.4%	12149	60976	8.55	180	255	24506	3799	7.3%
10.0%	4796	22095	6.8	185	21.2	3621	1002	-7.4%
31.3%	8166	28850	5.45	190	24.95	2666	1351	-4.1%
33.1%	9040	25607	3.45	200	33.7	218	1241	-2.5%
38.4%	4685	11598	2.2	210	36.85	11	334	-0.3%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Aug	6,194	6,111	6,153	6,186	6,228	6,261	Bearish	Moderate	6170 - 6245
Cocudakl	NCDEX	Aug	2,863	2,790	2,827	2,877	2,914	2,964	Bearish	Moderate	2809 - 2896
Cotton	NCDEX	July	56,790	56,397	56,593	56,797	56,993	57,197	Bearish	Moderate	56495 - 56895
Dhaniya	NCDEX	Aug	7,216	7,132	7,174	7,250	7,292	7,368	Bearish	Moderate	7153 - 7271
Jeera	NCDEX	July	26,700	26,467	26,583	26,717	26,833	26,967	Bearish	Moderate	26650 - 26900
Guar Seed	NCDEX	Aug	5,535	5,448	5,491	5,566	5,609	5,684	Bearish	Moderate	5470 - 5588
Guar Gum	NCDEX	Aug	10,942	10,681	10,812	11,030	11,161	11,379	Bearish	Moderate	10747 - 11096
Mentha Oil	MCX	July	980	960	970.17	978	988	996	Bullish	High	974 - 992
Turmeric	NCDEX	Aug	16,000	15,660	15,830	15,952	16,122	16,244	Strong	Moderate	15891 - 16183

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Aug	69954	69292	69623	70056	70387	70820	Flat	Moderate	69458 - 70222
Gold Comex	Comex	July	2435	2415	2425	2440	2450	2465	Bullish	High	2420 - 2445
Silver	MCX	Sep	82594	81190	81892	83213	83915	85236	Flat	Moderate	81541 - 83564
Silver Comex	Comex	Aug	28.48	27.75	28.11	28.70	29.07	29.66	Flat	Moderate	28 - 29
Crude	MCX	July	6436	6309	6372	6491	6554	6673	Flat	Moderate	6341 - 6523
Crude Nymex	Nymex	Sep	75.40	73.75	74.57	76.15	76.97	78.55	Flat	Moderate	74 - 77
Nat Gas	MCX	July	169	161	165	172	176	182	Bearish	Moderate	163 - 174
BullDex	MCX	July	17604	17505	17554	17650	17699	17795	Flat	Moderate	17530 - 17675
Copper	MCX	July	790.30	776	783	796	803	817	Flat	Moderate	780 - 800
Zinc	MCX	July	250.40	246	248	252	254	257	Bearish	Moderate	247 - 253
Lead	MCX	July	187	185	186	187	188	190	Bearish	Moderate	185 - 188
Aluminum	MCX	July	211.80	209	210	213	215	217	Flat	Moderate	210 - 214

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