



Monday, August 05, 2024

## Overview

- Caixin China Services PMI rose to 52.1 in July
- US 10YR extends fall on dovish Fed bets
- Oil falls as recession fears in the US ramp up
- Today, US Services PMI will be in focus

## Precious Metals

Gold and silver prices had quite a volatile last week, with market participants cautiously waiting for Fed meeting and important economic data points from the US. Federal Reserve kept the interest rate unchanged for the eighth time but, signaled that if inflation ease down to their target of 2% September rate cut could be on table. Governor Powell mentioned that along with Inflation it is important to keep a track on labor market as well. BOE in the previous week cut interest rate by 25bps, one more major central bank announcing a cut along with ECB and BOC. On data front, US non-farm payroll showed job addition of 114k v/s 175k estimates; unemployment rate also increased to 4.3% highest since Nov'21. Factory orders from the US were also reported lower than expectations of 4.1%. Along with Dollar index, US 10 & 2 Y Yield also fell sharply, signaling a shift in interest rates. After an immediate rally we witnessed a sharp correction in all major commodities, keeping market participants on edge. Over the weekend, updates regarding geo-political tensions in Middle East increased, which could support bullion from lower levels. Focus today will be on preliminary manufacturing and services PMI data from major economies. Gold price on domestic front could trade in a range of ₹ 69,400-70,200

Precious metals	Close (\$)	%Chg.
Gold	2443.6	0.0%
Silver	28.53	-0.1%
CFTC data	Speculative Longs	Change WoW
Gold	188909	-9535
Silver	24930	-871
ETF	Close	%Chg.
GOLD ETF	1959.3	0.00
Silver ETF	25718	0.00
Others	Close	%Chg.
DXY	103.21	-0.2%
US 10Y Yields	3.79	-4.8%

## Base Metals

Base metals gained in early trading session, as price fall in previous session triggered some buying opportunities for traders while concerns in the US following weak sharply lower-than-expected non-farm payrolls data intensified market concerns about recession prospects, rapidly boosting global market risk aversion sentiment. Prices were also supported by Caixin China Services PMI rising to 52.1 in July 2024 from June's 8-month low of 51.2, above market forecasts of 51.4. It was the 19th month of growth in services activity, helped by a faster rise in new orders, a sustained rise in export sales. China cut key lending rates and allocated bond funds toward economic recovery last month, while the government pledged to step up support measures and stabilize market confidence at a recent Politburo meeting in attempt to aid its declining economy. Today, Services PMI from US will be important to watch for.

## Energy

Oil prices rose in early morning session on increasing tensions in Middle East- amid heightened concerns over Hamas' retaliation against Israel for the killing of its leader, supported prices over risk of oversupply disruptions in play. However, a string of weak U.S. economic readings ramped up concerns that the world's biggest economy headed for a recession. Weak economic signals from China were also a major pain point, as dismal data from the world's biggest oil importer pushed up concerns over slowing demand. On the supply side, OPEC+ remains on track to boost production starting next quarter, a plan it reiterated at a monitoring meet. Yet officials have insisted supply hikes can be paused or reversed as needed. Natural gas market faced strong downward pressure last week, with futures falling to multi-month lows. This decline occurred despite intense heat across much of the country driving strong cooling demand, highlighting the strength of bearish factors in current market situation. Production levels remained high, staying above 102 Bcf/d with a seven-day average output of 102.5 Bcf/d. This ongoing supply surplus continues to push prices lower, overshadowing the positive impact of weather-driven demand. The latest EIA storage report showed smaller-than-expected build of 18 Bcf, compared to the five-year average of 33 Bcf.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	795	-0.5%
Aluminium	2110	1.1%
Nickel	1382	0.1%
Lead	186	-0.4%
Zinc	251	-0.8%

Inventory		Current	W/W Chg.	Units
Copper	LME	246500	1350	MT
	Shanghai	295141	-6062	MT
Aluminum	LME	925625	-3700	MT
	Shanghai	274193	10035	MT
Nickel	LME	110124	174	MT
	Shanghai	16515	-24	MT
Lead	LME	231600	-2725	MT
	Shanghai	34535	-6235	MT
Zinc	LME	232550	-2125	MT
	Shanghai	105420	-8558	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	73.85	-0.6%
Natural gas	1.97	-0.1%

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	211917	-27320
Natural Gas	-53537	2182

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
-12.2%	288	431	1904	68000	297	4461	962	-13.8%
0.0%	33	18	1674.5	68500	436	351	126	8.6%
-0.5%	977	2915	1216.5	69000	620	7302	1176	-0.1%
27.6%	74	354	968.5	69500	852.5	510	59	136.0%
10.4%	2260	10615	733	<b>70000</b>	1139.5	6510	1019	42.3%
2500.0%	52	366	799.5	70500	1051	20	13	1200.0%
14.0%	1868	6507	442	71000	1888.5	533	270	22.2%
0.0%	0	0	919	71500	2744.5	0	0	0.0%
9.4%	2827	3932	285	72000	2728	112	276	-2.5%

## MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
1598.8%	1444	12907	463	6000	84.6	180624	4731	-11.9%
2300.0%	24	65	546.3	6050	104.8	48342	508	-28.7%
663.5%	2428	44500	368.5	6100	127.7	175521	4312	-11.5%
6241.7%	761	12958	312	6150	153.3	76518	818	-39.8%
2196.8%	9945	146247	287.2	<b>6200</b>	183.4	234491	6702	0.0%
2781.4%	2795	45553	250.2	6250	207.6	67559	2335	-3.8%
392.5%	12259	176347	218.9	6300	242.6	190994	6164	-38.1%
381.9%	5951	66173	189.6	6350	274	56535	1944	-14.4%
238.1%	17558	220193	165.2	6400	315.9	150088	5203	-6.8%

## MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
32.1%	391	2701	22.4	150	4.95	26823	4242	17.0%
52.1%	1434	18440	15.7	160	8.8	43240	4006	25.3%
19.7%	6290	54290	10.5	170	13.9	46239	3944	-15.7%
-9.3%	5078	26395	8.4	175	17.25	11045	1785	-8.6%
5.5%	12821	36376	6.55	<b>180</b>	255	7442	3243	-14.6%
7.1%	5135	11430	5.05	185	24.35	582	962	-4.0%
9.4%	8934	21549	3.85	190	28.55	603	1286	-4.8%
8.5%	9810	16098	2.35	200	38	230	1212	-2.3%
5.0%	4921	8229	1.4	210	45.5	7	332	-0.6%

### Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Aug	6,193	6,102	6,147	6,215	6,260	6,328	Bearish	Moderate	6125 - 6238
Cocudakl	NCDEX	Aug	2,849	2,816	2,832	2,849	2,865	2,882	Bearish	Moderate	2841 - 2874
Cotton	NCDEX	Sept	56,530	56,530	56,530	56,530	56,530	56,530	Bearish	Moderate	56530 - 56530
Dhaniya	NCDEX	Aug	7,180	7,144	7,162	7,186	7,204	7,228	Bearish	Moderate	7153 - 7195
Jeera	NCDEX	Aug	26,655	26,222	26,438	26,617	26,833	27,012	Bearish	Moderate	26330 - 26725
Guar Seed	NCDEX	Aug	5,359	5,208	5,283	5,397	5,472	5,586	Bearish	Moderate	5246 - 5435
Guar Gum	NCDEX	Aug	10,517	10,199	10,358	10,604	10,763	11,009	Bearish	Moderate	10279 - 10684
Mentha Oil	MCX	Aug	1,008	973	990.27	1,002	1,020	1,032	Bullish	High	996 - 1026
Turmeric	NCDEX	Aug	16,096	15,724	15,910	16,090	16,276	16,456	Strong	Moderate	16000 - 16366

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	69789	68362	69076	70020	70734	71678	Flat	Moderate	68719 - 70377
Gold Comex	Comex	Aug	2426	2379	2402	2440	2463	2501	Bullish	High	2390 - 2451
Silver	MCX	Sept	82493	79706	81099	82900	84293	86094	Bearish	Moderate	80403 - 83597
Silver Comex	Comex	Sept	28.39	27.31	27.85	28.60	29.14	29.90	Bearish	Moderate	28 - 29
Crude	MCX	Aug	6146	5900	6023	6252	6375	6604	Bearish	Moderate	5962 - 6314
Crude Nymex	Nymex	Sept	72.59	69.49	71.04	73.67	75.22	77.85	Bearish	Moderate	70 - 74
Nat Gas	MCX	Aug	165	157	161	166	169	174	Bearish	Moderate	159 - 167
BullDex	MCX	Aug	17518	17208	17363	17611	17766	18014	Flat	Moderate	17286 - 17689
Copper	MCX	Aug	795.10	787	791	795	800	804	Flat	Moderate	793 - 802
Zinc	MCX	Aug	251.35	248	250	252	254	256	Flat	Moderate	251 - 255
Lead	MCX	Aug	186	185	185	186	187	187	Bearish	Moderate	185 - 186
Aluminum	MCX	Aug	210.55	207	209	212	214	217	Flat	Moderate	208 - 213

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