



Tuesday, August 06, 2024

## Overview

- Yen carry trade unwinding caused sell-off trend
- Major Asian indices rebounded after massive collapse
- Crude rose amidst rising tensions in the Middle East
- Gold steadies, supported by its safe-haven appeal

## Precious Metals

Gold fell more than 1% in yesterday's session, caught in the slipstream of a global, wider market sell-off driven by mounting economic worries and Yen carry trade unwinding, however Geopolitical tensions and rate cut expectations are cushioning the prices. BOJ had a negative interest rate for more than 18 years, and a sudden increase in interest rate reduced the interest rate differential between Japan and US, influencing a carry trade unwinding, and increasing pressures in major asset classes. On other hand, Softer Dollar also aide metal markets, as a swathe of weak US economic readings saw traders pricing in greater reductions in US interest this year. Weaker than expected economic data from the US, spooked market participants and increased concerns that the US could be slowing faster than initially expected. Treasury bonds, meanwhile, were in demand, with U.S. 10-year yields touching the lowest since mid-2023, signaling a change in interest rates and bleak economic growth expectations. On data front, US services PMI was reported lower than expectations at 55 v/s 56 supporting bullions. No major data points are scheduled from the US today. Gold price on domestic front could trade in a range of 69,000-70,000

Precious metals	Close (\$)	%Chg.
<b>Gold</b>	2409.4	0.1%
<b>Silver</b>	27.21	-0.2%
CFTC data	Speculative Longs	Change WoW
<b>Gold</b>	188909	-9535
<b>Silver</b>	24930	-871
ETF	Close	%Chg.
<b>GOLD ETF</b>	1959.5	0.21
<b>Silver ETF</b>	25721	3.11
Others	Close	%Chg.
<b>DXY</b>	102.69	0.1%
<b>US 10Y Yields</b>	3.84	-0.3%

## Base Metals

Base metals got caught in the sharp selling pressure in a wide range of financial assets and commodities amid growing concerns of economic contraction in the US and slowing growth in China. Copper gave up gains despite positive data which showed China's services sector grew more than expected in July, indicating that some facets of the economy remained resilient despite a decline in manufacturing activity. Mounting fears about the country's economic slowdown, which could reduce copper demand, have caused copper prices to fall to near four-month lows in recent sessions. The risk of a worse US economy prompted traders to price in the possibility of further interest rate reduction by the Federal Reserve, which previously indicated that a September rate decrease was possible.

## Energy

Oil prices rallied in Asia, driven by rising geopolitical tensions in the Middle East and an expansion in China's services activity. Prices also got supported by news of partial shutdown of Libya's Sharara oil field, the country's biggest, was partially suspended on Aug. 4 after protestors entered the operations room. Estimates of production lost ranged from 28,000-70,000 b/d, although it couldn't be determined what current production was. Sharara has a maximum capacity of 320,000 b/d with recent production. Natural gas meanwhile tumbled by more than 1% to a one-week low on forecasts for lower demand over the next two weeks, while traders assessed the potential impact from Hurricane Debby, which could lead to lower demand for the fuel.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	777	0.6%
Aluminium	2110	-0.6%
Nickel	1374	-0.6%
Lead	181	-2.4%
Zinc	248	0.4%

Inventory		Current	W/W Chg.	Units
Copper	LME	251350	4850	MT
	Shanghai	295141	-6062	MT
Aluminum	LME	921625	-4000	MT
	Shanghai	274193	10035	MT
Nickel	LME	110106	-18	MT
	Shanghai	16515	-24	MT
Lead	LME	226850	-4750	MT
	Shanghai	34535	-6235	MT
Zinc	LME	229775	-2775	MT
	Shanghai	105420	-8558	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	74.22	0.4%
Natural gas	1.98	-1.3%

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	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
11.5%	321	1302	1850.5	68000	585.5	6331	950	-1.2%
-30.3%	23	106	1733.5	68500	765.5	827	122	-3.2%
19.4%	1167	5740	1209	69000	1030	6792	1000	-15.0%
81.1%	134	775	952.5	69500	1592	161	59	0.0%
27.6%	2884	10802	749	<b>70000</b>	1627	2033	1077	5.7%
0.0%	52	192	578.5	70500	2310	4	13	0.0%
-9.4%	1693	5786	472.5	71000	2386	264	258	-4.4%
0.0%	0	0	808	71500	2995	0	0	0.0%
25.0%	3534	5672	288.5	72000	3475.5	53	273	-1.1%

## MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
0.0%	8	22	252	5950	85	34196	991	102.7%
17.3%	1694	90697	240.9	6000	100.7	266116	7310	54.5%
1187.5%	309	20128	210.2	6050	120.4	71882	1518	198.8%
97.9%	4804	251771	184.4	6100	140.3	264381	6289	45.8%
136.7%	1801	61765	159.9	<b>6150</b>	163.5	72286	973	18.9%
-8.5%	9096	272946	138.8	6200	189.3	157691	6839	2.0%
-17.8%	2297	60172	117.7	6250	214.7	13865	2069	-11.4%
-22.6%	9491	183552	99.4	6300	245.3	32460	5787	-6.1%
-28.0%	4285	61290	82.6	6350	277.8	2403	1897	-2.4%

## MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
0.0%	0	0	30.05	135	1.9	3415	411	134.9%
0.0%	4	162	20.9	145	3.7	10151	691	41.0%
88.0%	47	5925	16.35	155	6.75	18483	1316	40.7%
45.3%	2083	39019	13.4	160	8.75	54408	5588	39.5%
21.0%	2155	34131	10.75	<b>165</b>	255	24149	1930	2.4%
8.3%	6815	44617	8.6	170	13.95	20791	3750	-4.9%
-6.8%	4733	18505	6.8	175	16.95	4330	1697	-4.9%
-6.2%	4815	11319	3.85	185	24.4	99	958	-0.4%
19.3%	2370	5703	2.35	195	33.7	14	17	-15.0%

### Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Aug	6,193	5,930	6,062	6,133	6,265	6,336	Bearish	Moderate	6098 - 6301
Cocudakl	NCDEX	Aug	2,818	2,769	2,793	2,821	2,845	2,873	Bearish	Moderate	2781 - 2833
Cotton	NCDEX	Sept	56,470	56,223	56,347	56,433	56,557	56,643	Bearish	Moderate	56285 - 56495
Dhaniya	NCDEX	Aug	7,068	6,951	7,009	7,105	7,163	7,259	Bearish	Moderate	6980 - 7134
Jeera	NCDEX	Aug	26,370	26,070	26,220	26,400	26,550	26,730	Bearish	Moderate	26145 - 26475
Guar Seed	NCDEX	Aug	5,269	5,083	5,176	5,248	5,341	5,413	Bearish	Moderate	5130 - 5295
Guar Gum	NCDEX	Aug	10,291	10,121	10,206	10,308	10,393	10,495	Bearish	Moderate	10164 - 10351
Mentha Oil	MCX	Aug	1,001	985	993.00	1,007	1,016	1,030	Bullish	Moderate	989 - 1012
Turmeric	NCDEX	Aug	15,856	15,509	15,683	15,985	16,159	16,461	Bearish	Moderate	15596 - 16072

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	70230	68497	69364	70431	71298	72365	Flat	Moderate	69898 - 71832
Gold Comex	Comex	Aug	2402	2324	2363	2406	2445	2489	Bearish	Moderate	2343 - 2426
Silver	MCX	Sept	79598	75289	77444	80424	82579	85559	Bearish	Moderate	76367 - 81502
Silver Comex	Comex	Sept	27.21	25.32	26.26	27.54	28.48	29.76	Bearish	Moderate	26 - 28
Crude	MCX	Aug	6146	5951	6048	6123	6220	6295	Bearish	Moderate	6000 - 6172
Crude Nymex	Nymex	Sept	72.20	69.55	70.88	72.20	73.53	74.85	Bearish	Moderate	70 - 73
Nat Gas	MCX	Aug	164	156	160	163	168	171	Bearish	Moderate	162 - 169
BullDex	MCX	Aug	17350	16736	17043	17384	17691	18032	Bearish	Moderate	16890 - 17538
Copper	MCX	Aug	777.25	745	761	782	798	818	Bearish	Moderate	753 - 790
Zinc	MCX	Aug	247.75	238	243	248	253	258	Bearish	Moderate	240 - 250
Lead	MCX	Aug	181	178	180	183	185	188	Bearish	Moderate	179 - 184
Aluminum	MCX	Aug	210.75	207	209	210	212	214	Flat	Moderate	208 - 211

**Navneet Damani**

**Head Research- Currencies and Commodities**

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**Grievance Redressal Cell:**

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	<a href="mailto:query@motilaloswal.com">query@motilaloswal.com</a>
Ms. Kumud Upadhvay	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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