



Wednesday, August 14, 2024

## Overview

- Gold holds near all-time high after US annual PPI slowed to 2.2%
- Oil rises on sharp drawdown in US API crude inventories
- Today focus will be on inflation data from the UK and US.

## Precious Metals

Gold prices steadied to hover close to an all-time high hit in July, as the dollar and Treasury yields crept lower after U.S. producer price data cemented hopes for an interest rate cut from the Federal Reserve in September. The dollar was down 0.4% against major currencies, while the benchmark 10-year note yields slipped to a one-week low. U.S. producer prices increased less than expected in July, indicating that inflation continued to moderate. US PPI YoY was reported at 2.2% against previous month of 2.7% and estimates of 2.3%. Despite recent profit-taking, ongoing geopolitical tensions and recent volatility in the market along with the anticipated rate cuts continue to drive investors toward safe-haven. As suggested by CME Fed watch tool report, traders are pricing in about 54% chance of a 50bps Fed rate cut in September, according to the CME Group's Fed-Watch tool. Fears that the conflict in Gaza could turn into a broader Middle East war have escalated after the killing of Hamas leader in Iran last month. However, in some recent statements Iran signaled that they could be climbing down from Israel attack plans, against the market expectations. Traders now look forward to U.S. July CPI data due on Wednesday and the retail sales data on Thursday for further direction on U.S. central bank's next policy move. Gold price on domestic front could trade in a range of 70,000-71,000

Precious metals	Close (\$)	%Chg.
Gold	2459.8	-0.2%
Silver	27.65	-0.7%
CFTC data	Speculative Longs	Change WoW
Gold	185474	-3435
Silver	24904	-26
ETF	Close	%Chg.
GOLD ETF	1945.8	-6.58
Silver ETF	25999	1.71
Others	Close	%Chg.
DXY	102.56	0.0%
US 10Y Yields	3.85	-1.4%

## Base Metals

Base metals erased previous gains as markets assessed threats to supply while gauging the magnitude of poor demand. Chinese buyers have started to return to the market after prices slid back from all-time highs in May, while the Yangshan premium--a measure of import demand--has been creeping back up from negative territory. Union workers declared a strike at the world's largest copper mine at Escondida after negotiation collapsed which raised fears for major hit to production. US producer prices increased less than expected in July, which rose hopes for a rate cut in September from Fed. This week China will release figures on retail sales and industrial production which will provide a clear picture on the economy's performance. Also, inflation data from the US today will be important to watch for ahead of the September meeting, where the annual core is expected to slow down to 3.2%.

## Energy

Oil settle lower, snapping a five-day winning streak on waning fears of the conflict in the Middle East could expand and threaten global crude supplies as a Iran signaled that it could back off plans to strike Israel should Gaza-ceasefire talks succeed. Adding to the fears were concerns of a potential market surplus forming in coming months. The IEA warned that should OPEC proceed with its plans to boost supplies in the fourth quarter, global oil inventories would start to rise. The IEA said that oil consumption in China, the world's biggest importer, fell for a third month in June. Growing demand in developed economies, such as the US, has been compensating for slackness in China. Yet that tightness is set to fade. Even if OPEC cancel their scheduled output hikes, the market will move into an 860kb/d surplus in 2025. Prices however did get some support after API showed U.S. oil inventories shrank by 5.2 Mbs, much more than expectations for a draw of 2 Mbs. Gasoline inventories contracted, while distillate inventories saw a mild build. On the U.S. economic front, softer than expected producer price index data ramped up hopes that inflation was cooling, and that the Federal Reserve will have more impetus to cut interest rates. The reading came just ahead of consumer price index inflation data, which is due later on Wednesday, and is also expected to show inflation eased in July, albeit slightly.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	786	1.7%
Aluminium	2160	0.5%
Nickel	1370	-0.8%
Lead	186	-0.8%
Zinc	256	0.9%

Inventory		Current	W/W Chg.	Units
Copper	LME	305625	9500	MT
	Shanghai	286305	-8836	MT
Aluminum	LME	899900	-3700	MT
	Shanghai	278627	4434	MT
Nickel	LME	113712	1308	MT
	Shanghai	16523	6	MT
Lead	LME	207175	-4375	MT
	Shanghai	39401	4866	MT
Zinc	LME	263150	23625	MT
	Shanghai	96461	-8959	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	78.87	0.2%
Natural gas	2.17	-1.9%

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	188260	-23657
Natural Gas	-51787	1750

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%	11	4	1657.5	68500	190	100	168	15.9%
-1.3%	900	517	1634.5	69000	307	1705	1530	9.8%
-10.8%	58	122	1306.5	69500	453	275	147	-0.7%
-2.1%	1748	3596	1008.5	70000	655.5	3582	1207	9.0%
43.9%	177	813	777.5	<b>70500</b>	921.5	98	25	38.9%
15.6%	2121	3988	604	71000	1229.5	437	293	9.3%
0.0%	1	2	615	71500	1693	0	0	0.0%
1.5%	4302	2135	352.5	72000	1929	105	320	18.1%
0.0%	3	0	346	72500	2433.5	0	1	0.0%

### MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-35.5%	3124	5347	362.8	6300	4.7	35764	9118	-15.7%
-0.8%	1569	1073	315.8	6350	4.5	15499	3936	-19.5%
-9.0%	2689	22080	267.6	6400	7.2	89570	11061	-18.0%
-8.3%	1444	13592	220.8	6450	11.8	48860	3029	-33.3%
-33.2%	4690	131707	182.7	<b>6500</b>	19.3	258913	9350	-41.4%
19.7%	1525	86019	145.6	6550	32.8	162779	3465	4.4%
8.3%	11422	416707	116	6600	53.3	536039	9849	-3.7%
48.8%	3755	202329	88.9	6650	84.1	262200	1959	21.3%
73.3%	13529	558111	68.4	6700	123.8	482221	5201	44.7%

### MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
46.3%	351	307	33.5	150	0.45	3718	4956	-3.8%
2.2%	370	801	24.85	160	1.3	12264	5377	-3.2%
4.6%	1668	10822	16.3	170	3.1	33090	6244	12.4%
6.0%	1674	19972	12.75	175	4.65	38680	3404	-1.4%
22.7%	9993	76042	9.75	<b>180</b>	255	94090	8073	17.2%
29.2%	7456	81635	7.35	185	9.7	71311	3660	28.0%
19.8%	14933	95763	5.3	190	12.95	43354	3272	-4.0%
7.0%	11448	40461	2.6	200	20.75	6594	1122	-1.0%
-3.4%	5978	15343	1.3	210	29.2	110	352	2.9%

### Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Aug	6,243	6,158	6,201	6,255	6,298	6,352	Bearish	Moderate	6180 - 6277
Cocudakl	NCDEX	Aug	3,156	3,062	3,109	3,153	3,200	3,244	Bearish	Moderate	3131 - 3222
Cotton	NCDEX	Sept	57,220	56,140	56,680	57,040	57,580	57,940	Bearish	Moderate	56860 - 57760
Dhaniya	NCDEX	Aug	6,854	6,749	6,801	6,881	6,933	7,013	Bearish	Moderate	6788 - 6920
Jeera	NCDEX	Aug	26,400	25,633	26,017	26,508	26,892	27,383	Bearish	Moderate	25825 - 26700
Guar Seed	NCDEX	Aug	5,307	5,229	5,268	5,324	5,363	5,419	Bearish	Moderate	5249 - 5344
Guar Gum	NCDEX	Aug	10,402	10,205	10,303	10,449	10,547	10,693	Bearish	Moderate	10254 - 10498
Mentha Oil	MCX	Aug	966	957	961.50	967	971	977	Bearish	Moderate	959 - 969
Turmeric	NCDEX	Aug	16,042	15,774	15,908	16,138	16,272	16,502	Bearish	Moderate	15841 - 16205

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	70699	70337	70518	70719	70900	71101	Strong	Low	70619 - 71001
Gold Comex	Comex	Aug	2467	2451	2459	2464	2472	2478	Bullish	High	2462 - 2475
Silver	MCX	Sept	81049	80108	80578	81027	81497	81946	Flat	Moderate	80343 - 81262
Silver Comex	Comex	Sept	27.79	27.19	27.49	27.81	28.11	28.44	Flat	Moderate	27 - 28
Crude	MCX	Aug	6596	6472	6534	6635	6697	6798	Strong	Low	6503 - 6666
Crude Nymex	Nymex	Sept	76.80	75.51	76.16	77.29	77.94	79.07	Strong	Moderate	76 - 78
Nat Gas	MCX	Aug	181	175	178	183	186	191	Strong	Low	177 - 185
BullDex	MCX	Aug	17611	17495	17553	17611	17669	17727	Flat	Moderate	17524 - 17640
Copper	MCX	Aug	786.25	778	782	785	789	792	Flat	Moderate	780 - 787
Zinc	MCX	Aug	255.90	253	254	256	258	260	Strong	Low	253 - 257
Lead	MCX	Aug	186	184	185	186	187	188	Flat	Moderate	185 - 186
Aluminum	MCX	Aug	216.05	212	214	215	218	219	Strong	Moderate	215 - 218

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