



Monday, August 19, 2024

Overview

- Gold hovers near all-time high
- Oil prices pressured on prospects of weak Chinese demand
- This week, Jackson Hole symposium and FOMC meeting minutes will be in focus.

Precious Metals

Gold prices soared to an all-time high on Comex last week as the dollar weakened on growing expectations for an interest-rate cut from the Federal Reserve in September, and as tensions in the Middle East bolstered demand for bullion. Gold was up ~1.5% hovering around \$2500 mark, while dollar index fell 0.4% against its major crosses and posted a fourth week of losses. The July release of the PPI and CPI this week indicated inflation was subsiding, which could keep the Fed on track for a 25bps rate cut next month. Probability for a 50bps cut has reduced to ~25% and same for a 25bps is currently above 70%. Fed Bank of Chicago President Goolsbee said the U.S. economy is not showing signs of overheating, so central-bank officials should be wary of keeping restrictive policy in place longer than necessary. Ongoing geo-political tensions between Russia and Ukraine and potential escalation that Iran could get involved is increasing the safe haven appeal for both Gold and Silver. Attention now shifts on Jackson Hole symposium and Fed Chair Powell's speech a week from today to provide a more detailed outlook on the shape of the upcoming rate cuts and overall update on economy and monetary policy path ahead. Gold price on domestic front could trade in a range of 70,800-71,800.

Precious metals	Close (\$)	%Chg.
Gold	2504.7	-0.1%
Silver	29.08	0.3%
CFTC data	Speculative Longs	Change WoW
Gold	219672	34198
Silver	24257	-647
ETF	Close	%Chg.
GOLD ETF	1939.8	-20.03
Silver ETF	26014	-21.96
Others	Close	%Chg.
DXY	102.46	-0.1%
US 10Y Yields	3.89	-0.9%

Base Metals

LME base metals rallied last week, as China's uneven recovery highlighted the need for additional fiscal stimulus to promote domestic consumption. In addition, reducing growth concerns following better-than-expected US retail sales and unemployment claims data aided price rebound. Copper prices rose to a three-week high due to supply disruptions caused by a strike at BHP Group's Escondida mine in Chile, the world's largest copper mine and responsible for 5% of global production. Last week, figures on retail sales, inflation, and producer prices served to alleviate fears of an economic slump in the United States, which had been spurred by weaker-than-expected employment data earlier this month. The minutes of the Federal Reserve's July policy meeting and Chair Jerome Powell's address at Jackson Hole are expected to be the primary drivers of investor sentiment this week.

Energy

Crude oil was relatively unchanged in morning session as the prospect of weak demand in China offset risks to supply. Apparent oil demand in China fell 8% y/y in July according to government data. This comes following disappointing economic data last week, which showed industrial activity remains subdued. The White House said that talks about a potential Gaza ceasefire agreement have been serious and constructive. Traders had been pricing bigger premiums for bullish calls in options markets as tensions remain high in the Middle East, but some of that move has also faded in recent days. Disruptions to supply in Libya have also so far done little to support futures prices. Natural gas prices remained negative as market continues to weigh the impact of rising temperatures in key regions, expected to boost cooling demand, against concerns over robust production levels. Recent weather forecasts indicate an intensifying heat wave across Southern U.S., which is likely to increase demand for air conditioning. This surge in cooling demand could lead to higher natural gas consumption for power generation. However, forecasts also show a potential easing of temperatures in the Midwest and Northeast by the end of the week, which might temper some of the demand increases. On supply side, U.S. gas production remains strong, with daily output hovering near record levels. This continued high production, coupled with stable LNG exports, has kept market well supplied. Storage levels are above five-year average, which has put lid on significant price increases despite summer heat.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	801	-0.1%
Aluminium	2190	0.1%
Nickel	1368	0.3%
Lead	188	0.5%
Zinc	262	0.5%

Inventory		Current	W/W Chg.	Units
Copper	LME	309050	1600	MT
	Shanghai	262206	-24099	MT
Aluminum	LME	888975	-3500	MT
	Shanghai	287282	8655	MT
Nickel	LME	114060	0	MT
	Shanghai	18111	444	MT
Lead	LME	196900	-1800	MT
	Shanghai	60617	21216	MT
Zinc	LME	260600	0	MT
	Shanghai	87468	-8993	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	76.50	-0.4%
Natural gas	2.13	-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	200740	12480
Natural Gas	-61413	-9626

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
-14.6%	776	1617	1303.5	69000	133	4429	1860	19.5%
-28.3%	38	56	1010	69500	208	856	181	-14.2%
-28.3%	1440	7542	763	70000	334	9327	1904	59.7%
-51.0%	168	2739	579.5	70500	512	1076	121	245.7%
-23.6%	1996	12629	444	71000	766	2922	603	94.5%
300.0%	8	21	333.5	71500	1222	0	0	0.0%
-4.9%	4329	7607	250	72000	1423.5	408	388	7.5%
133.3%	7	5	346	72500	1902	0	1	0.0%
8.9%	1373	2722	132	73000	2232.5	76	108	-22.3%

MCX Crude Oil

Call		Particulars			Put			
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-64.9%	340	8792	337	6200	144.5	70042	1770	-72.1%
-87.0%	31	632	313.7	6250	166.9	9577	204	-88.7%
-52.9%	1348	44414	279.8	6300	190.2	96746	1975	-66.7%
-86.5%	214	11288	255	6350	214.6	15459	284	-91.7%
172.8%	6143	137804	228	6400	241.2	109365	4103	-50.0%
-52.2%	849	25964	207	6450	272.2	11607	183	-94.1%
15.0%	6962	116359	185.4	6500	301.7	44992	2765	6.1%
-84.1%	668	12377	168.7	6550	336.3	1740	22	-98.2%
4.8%	6539	62996	152.4	6600	367.9	9765	1422	-28.5%

MCX Natural Gas

Call		Particulars			Put			
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-14.3%	12	6	33	155	0.55	3555	1454	-8.6%
-0.2%	622	941	23.05	165	1.2	10889	4219	10.3%
153.4%	3046	24150	14.65	175	3.95	51748	4868	-1.0%
102.1%	13844	90179	10.95	180	6.35	108985	9713	-9.3%
180.5%	12272	79743	8.05	185	255	64112	4480	6.2%
79.1%	20656	86230	5.6	190	13.15	46464	2850	-47.5%
69.2%	7304	31029	3.9	195	17.3	8539	245	-38.1%
5.0%	3093	8668	1.75	205	26.3	95	14	-33.3%
44.9%	2465	3941	0.8	215	35.75	0	2	0.0%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Sept	6,229	6,179	6,204	6,227	6,252	6,275	Bearish	Moderate	6192 - 6240
Cocudakl	NCDEX	Sept	3,256	3,095	3,176	3,225	3,306	3,355	Bearish	Moderate	3201 - 3331
Cotton	NCDEX	Sept	56,830	56,777	56,803	56,827	56,853	56,877	Bearish	Moderate	56815 - 56865
Dhaniya	NCDEX	Sept	6,780	6,683	6,731	6,791	6,839	6,899	Bearish	Low	6707 - 6815
Jeera	NCDEX	Aug	27,040	25,273	26,157	26,938	27,822	28,603	Bearish	Moderate	26548 - 28213
Guar Seed	NCDEX	Sept	5,294	5,164	5,229	5,266	5,331	5,368	Bearish	Moderate	5248 - 5350
Guar Gum	NCDEX	Sept	10,334	9,933	10,134	10,250	10,451	10,567	Bearish	Moderate	10192 - 10509
Mentha Oil	MCX	Aug	963	943	952.90	970	981	998	Bearish	Moderate	948 - 975
Turmeric	NCDEX	Oct	16,072	15,480	15,776	16,008	16,304	16,536	Bearish	Moderate	15892 - 16420

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	71375	69847	70611	71043	71807	72239	Bullish	High	70827 - 72023
Gold Comex	Comex	Aug	2499	2429	2464	2486	2521	2543	Bullish	High	2447 - 2503
Silver	MCX	Sept	83213	80816	82015	82697	83896	84578	Strong	Moderate	82356 - 84237
Silver Comex	Comex	Sept	28.85	27.67	28.26	28.68	29.27	29.69	Strong	Moderate	28 - 29
Crude	MCX	Aug	6355	6170	6263	6365	6458	6560	Bearish	Moderate	6217 - 6412
Crude Nymex	Nymex	Sept	75.54	73.22	74.38	75.68	76.84	78.14	Bearish	Moderate	74 - 76
Nat Gas	MCX	Aug	179	173	176	181	184	190	Bearish	Moderate	175 - 183
BullDex	MCX	Aug	17465	17290	17378	17533	17621	17776	Bearish	Moderate	17334 - 17577
Copper	MCX	Aug	801.45	790	796	799	805	809	Strong	Moderate	797 - 807
Zinc	MCX	Aug	262.25	256	259	261	264	266	Bullish	High	260 - 265
Lead	MCX	Aug	187	184	185	186	188	189	Flat	Moderate	186 - 188
Aluminum	MCX	Aug	219.05	215	217	219	221	222	Strong	Moderate	216 - 220

Navneet Damani

Head Research- Currencies and Commodities

Commodity Disclosure & Disclaimer:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

Terms & Conditions:

- This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.
- This material is for the personal information of the authorized recipient and we are not soliciting any action based upon it.
- This report is not to be construed as an offer to sell or solicitation of an offer to buy any commodity or commodity derivative to any person in any jurisdiction where such an offer or solicitation would be illegal.
- It is for the general information of clients of MOFSL. It doesn't constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.
- The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL.
- The report is based on the facts, figures and information that are considered true, correct, reliable and accurate.
- All such information and opinions are subject to change without notice.
- Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.
- We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed.
- Neither MOFSL, nor any person connected with it, accepts any liability arising from the use of this document.
- The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the commodity referred to in this material may go up or down. Past performance is not a guide for future performance.
- Certain transactions including those involving commodity derivatives involve substantial risk and are not suitable for all investors.
- Reports based on technical analysis centers on studying charts of a commodity's price movement and trading volume as opposed to focusing on a commodity's fundamentals and as such may not match with a report on a commodity's fundamentals.
- Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject commodity for which Research Team have expressed their views.
- MOFSL or its associates or Research Analyst or his relatives may have Open Position in subject commodity.
- A graph of daily closing prices of commodities is available at <http://www.moneyline.co.in/>
- Opinions expressed are our current opinions as of the date appearing on this material only. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.
- The commodities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.
- This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.
- The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the commodities mentioned in this document.
- The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein.
- The commodities described herein may or may not be eligible for trade in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
- Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors.
- MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may (a) from time to time, have long or short positions in, and buy or sell the commodities mentioned herein or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodity/ (ies) discussed herein or have other potential conflict of interest with respect to any recommendation and related information and opinions. However the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the commodities mentioned in the research report.
- MOFSL and its associates and Research Analyst have not received any compensation or other benefits in connection with the research report. Compensation of Research Analysts is not based on any brokerage transactions generated by broking activities under Motilal Oswal group.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhayay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.