



Tuesday, August 20, 2024

Overview

- China holds LPR unchanged
- Dollar hovers near 7-month lows
- Crude falls on easing supply worries
- This week, Jackson Hole symposium and FOMC meeting minutes will be in focus.

Precious Metals

Gold subdued after breaching the \$2,500 ceiling in the previous session, as investors booked profits from the record run and positioned for more cues from the U.S. Federal Reserve and developments in the Middle East. Geopolitical tensions, particularly from the Israel-Iran-Hamas conflict is increasing the safe haven appeal for both Gold and Silver prices. Fed official Kashkari who till now was not in favor of a rate cut mentioned in his comments yesterday that, inflation is making progress and the labor market is showing some concerning signs, this could start a discussion about rate cut this year. Market participants see a 77.5% chance of the Fed cutting interest rates by 25 bps in September, according to the CME Fed-Watch Tool; expectations for a 50bps cut is currently out of discussion. Dollar index fell by below 102-mark yesterday, lending further support to bullions. On the physical front, several Chinese banks have been given new gold import quotas from the central bank, anticipating revived demand despite record high prices. The focus will turn to minutes from the Fed's last policy meeting on Wednesday and Chair Jerome Powell's speech at an economic symposium in Jackson Hole on Friday. Gold price on domestic front could trade in a range of 70,800-71,800.

Precious metals	Close (\$)	%Chg.
Gold	2499.9	-0.2%
Silver	29.27	-0.7%
CFTC data	Speculative Longs	Change WoW
Gold	219672	34198
Silver	24257	-647
ETF	Close	%Chg.
GOLD ETF	1963.2	23.35
Silver ETF	26063	48.80
Others	Close	%Chg.
DXY	101.89	0.0%
US 10Y Yields	3.88	-0.6%

Base Metals

Copper prices rose as a strike at BHP's Escondida copper mine in Chile threatened to interrupt more than 5% of world supply. Other copper mines in Chile have yet to finish wage agreements, heightening the possibility of a supply gap and keeping the market on edge. Zinc prices also rose, helped by a strong drop in stockpiles. The PBoC left key lending rates unchanged at the August fixing, matching market forecasts. The 1-year loan prime rate was maintained at 3.45% while the 5-year rate was retained at 3.85%. Both rates stay at record lows following unexpected rate reductions in July. 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

Oil prices fell the most in more than two weeks as a lackluster demand outlook for the world's two largest economies outweighed geopolitical tensions in the Middle East. Meanwhile, traders are awaiting a potential retaliatory attack by Iran on Israel. Ceasefire efforts are hampered by fresh disagreements between Israel and Hamas, as well as Iran-backed Palestinian groups. Additionally, non-OPEC+ oil production is expected to increase significantly, with a projected growth of about 1 million barrels per day year-over-year in 2024 and 1.6 million barrels per day year-over-year in 2025, while OPEC+ plans to potentially reintroduce some barrels into the market in the fourth quarter of 2024. Elsewhere, production at Libya's Waha oil field has returned to normal levels of about 300,000 barrels a day after pipeline maintenance completed earlier than expected, according to people with knowledge of the situation. However, the nation's Sharara field remains offline, and its central bank been pulled into a dispute between the OPEC nation's rival governments. Natural gas prices recovered from a one-week low and closed sharply higher as short covering emerged, and prices soared after weather forecasts called for hotter U.S. temperatures that would boost natural gas demand from electricity providers to run air conditioning. Forecaster Atmospheric G2 said Monday that forecasts shifted hotter for the eastern two-thirds of the U.S. for August 24-18.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	806	2.0%
Aluminium	2240	1.2%
Nickel	1366	-0.1%
Lead	188	-0.1%
Zinc	264	1.9%

Inventory		Current	W/W Chg.	Units
Copper	LME	308075	-975	MT
	Shanghai	262206	-24099	MT
Aluminum	LME	885375	-3600	MT
	Shanghai	287282	8655	MT
Nickel	LME	114456	396	MT
	Shanghai	18111	444	MT
Lead	LME	193825	-3075	MT
	Shanghai	60617	21216	MT
Zinc	LME	260000	-600	MT
	Shanghai	87468	-8993	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	73.30	-1.4%
Natural gas	2.25	5.0%

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
-2.6%	37	16	1532.5	69500	138	334	200	10.5%
-14.9%	1225	2115	1241.5	70000	218.5	6900	2404	26.3%
0.6%	169	560	927	70500	383	936	307	153.7%
-14.6%	1705	9058	682	71000	593.5	5932	856	42.0%
2350.0%	196	1040	481	71500	877.5	58	12	0.0%
2.6%	4442	5541	368.5	72000	1207	579	435	12.1%
0.0%	7	1	341	72500	1628.5	0	1	0.0%
17.6%	1614	2746	174.5	73000	1962	37	104	-3.7%
0.0%	8	3	185.5	73500	2461.5	0	0	0.0%

MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
0.0%	25	53	377.2	6050	139.2	4162	54	-15.6%
207.2%	639	5575	357	6100	160	62545	1571	45.9%
1014.3%	78	1061	332.6	6150	183.1	12500	127	-5.2%
700.0%	2720	32941	293.6	6200	209.2	93526	2359	33.3%
2032.3%	661	7980	266.2	6250	236.4	17964	360	76.5%
486.3%	7903	119294	239.9	6300	267.4	143330	2517	27.4%
693.0%	1697	24029	215	6350	295.3	16017	513	80.6%
107.4%	12738	162479	191.7	6400	330.8	91853	3911	-4.7%
224.0%	2751	35262	172.5	6450	363.8	10212	85	-53.6%

MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-1.6%	305	80	29.4	150	0.15	3714	4114	-5.6%
-10.5%	248	961	19.8	160	0.3	18498	6407	19.8%
-35.3%	1477	25000	11.3	170	0.75	54953	8207	5.1%
-43.8%	1713	42223	8	175	1.25	57797	6517	33.9%
-47.0%	7338	144730	5.45	180	255	134597	11606	19.5%
-53.0%	5771	121859	3.65	185	4.2	72205	5132	14.6%
-25.0%	15490	127740	2.25	190	6.85	63904	4305	51.1%
-10.8%	10776	50580	0.9	200	14.65	6579	1371	19.7%
-8.3%	5974	12100	0.4	210	23.4	133	318	-9.7%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Sept	6,215	6,164	6,189	6,216	6,241	6,268	Bearish	Moderate	6177 - 6229
Cocudakl	NCDEX	Sept	3,288	3,250	3,269	3,293	3,312	3,336	Bearish	Moderate	3281 - 3324
Cotton	NCDEX	Sept	57,000	56,800	56,900	57,000	57,100	57,200	Bearish	Moderate	56950 - 57150
Dhaniya	NCDEX	Sept	6,808	6,756	6,782	6,816	6,842	6,876	Bearish	Low	6769 - 6829
Jeera	NCDEX	Aug	27,120	26,453	26,787	27,233	27,567	28,013	Bearish	Moderate	26620 - 27400
Guar Seed	NCDEX	Sept	5,309	5,282	5,296	5,315	5,329	5,348	Bearish	Moderate	5306 - 5339
Guar Gum	NCDEX	Sept	10,391	10,286	10,339	10,386	10,439	10,486	Bearish	Moderate	10363 - 10463
Mentha Oil	MCX	Aug	978	969	973.27	977	981	985	Bearish	Moderate	971 - 979
Turmeric	NCDEX	Oct	16,266	16,038	16,152	16,226	16,340	16,414	Flat	Moderate	16189 - 16377

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	71584	70956	71270	71495	71809	72034	Bullish	High	71383 - 71922
Gold Comex	Comex	Aug	2502	2478	2490	2499	2511	2520	Bullish	High	2484 - 2505
Silver	MCX	Sept	84338	82791	83564	84180	84953	85569	Strong	Moderate	83872 - 85261
Silver Comex	Comex	Sept	29.30	28.45	28.88	29.20	29.63	29.95	Bullish	High	29 - 30
Crude	MCX	Aug	6253	6102	6177	6314	6389	6526	Bearish	Moderate	6140 - 6352
Crude Nymex	Nymex	Sept	73.66	72.00	72.83	74.28	75.11	76.56	Bearish	Moderate	72 - 75
Nat Gas	MCX	Aug	187	173	180	184	191	195	Strong	Moderate	182 - 193
BullDex	MCX	Aug	17966	17790	17878	17934	18022	18078	Strong	Moderate	17834 - 17978
Copper	MCX	Aug	806.45	801	804	806	809	811	Strong	Moderate	805 - 810
Zinc	MCX	Aug	264.00	262	263	264	265	267	Bullish	High	264 - 266
Lead	MCX	Aug	188	187	187	188	188	189	Flat	Moderate	187 - 188
Aluminum	MCX	Aug	223.95	218	221	223	226	228	Bullish	High	222 - 227

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 Upadhvay	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.