



Wednesday, August 21, 2024

Overview

- Gold rose ahead of Fed minutes
- Dollar slips to lowest of this year
- Oil weighed down by progression in ceasefire talks
- Today FOMC meeting minutes will be in focus.

Precious Metals

Gold prices rose, climbing to new record highs, helped by dollar weakness as traders grew more convinced that the Federal Reserve will begin cutting interest rates in September. The dollar index sank to a seven-month low, making gold more attractive for other currency holders, while benchmark U.S. 10-bond yields slipped, hovering around 3.8%. Lower than expected economic data from US and mixed comments from Fed officials are increasing expectations for a rate cut this year. Fed official Kashkari, who told now had a wait and watch approach mentioned that inflation has started to ease and labour market is also getting under stress. Market participants are pricing in a 65% chance the Fed will cut rates by 25bps at the next Fed meeting, and a 35% chance for a 50 bps cut, CME Fed-Watch showed. Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, jumped to their highest in seven months at 859 tons on Monday. Market participants will be closely monitoring the minutes of the Fed's July policy meeting later today and Fed Chair Jerome Powell's keynote speech at the Jackson Hole symposium tomorrow for more cues on rate cuts. Gold price on domestic front could trade in a range of 71,300-72,300.

Precious metals	Close (\$)	%Chg.
Gold	2515.4	0.1%
Silver	29.47	0.2%
CFTC data	Speculative Longs	Change WoW
Gold	219672	34198
Silver	24257	-647
ETF	Close	%Chg.
GOLD ETF	1970.8	7.65
Silver ETF	26116	53.18
Others	Close	%Chg.
DXY	101.44	0.0%
US 10Y Yields	3.81	-1.3%

Base Metals

Copper prices fell somewhat as markets continued to assess the degree of reduced demand among the world's top customers. Copper exports from China fell from recent record highs, encouraging hopes that the drop in domestic consumption has bottomed and preventing domestic producers from having to compete for overseas clients to meet sales. Other base metals gained as inventories in the warehouse reduced, which supported prices as it suggests demand outpacing supply. On the supply side, MMG Ltd's decision to halt operations at a mill at its Dugald River zinc mine in Australia for about two months of repair work is expected to exacerbate the tightness in the zinc concentrates market. 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 ended the session lower, moving in tight ranges as traders focused on tentative progress towards an Israel-Hamas ceasefire. Along with this, mounting concerns over global demand. China's apparent oil demand fell 8% y/y to 13.55mb/d in July. This follows reports that sales at China's two biggest retailers, PetroChina and Sinopec, have dropped more than 5% since the start of July. On geopolitical front, Fears that a prolonged conflict in the Middle East could impact oil prices has seen traders keeping a risk premium priced into oil markets. But these concerns were diminished by the lack of an Iranian retaliation against Israel over the killing of a Hamas leader in Tehran in July. Signs of steady U.S. fuel demand have helped somewhat offset concerns over a demand slowdown in China, as U.S. inventories shrank for several consecutive weeks. API report showed that U.S. crude inventories increased by about 347,000 barrels compared with a draw of 5.2M barrels reported by the API for the previous week. Economists were expecting a decline of about 2.8M barrels. Gasoline stockpiles fell by about 1M barrels, while distillate inventories -- the class of fuels that includes diesel fell by 2.2M barrels.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	800	0.6%
Aluminium	2270	2.2%
Nickel	1366	0.0%
Lead	189	0.7%
Zinc	265	0.7%

Inventory		Current	W/W Chg.	Units
Copper	LME	320050	11975	MT
	Shanghai	262206	-24099	MT
Aluminum	LME	881450	-3925	MT
	Shanghai	287282	8655	MT
Nickel	LME	114066	-390	MT
	Shanghai	18126	15	MT
Lead	LME	191100	-2725	MT
	Shanghai	60617	21216	MT
Zinc	LME	258800	-1200	MT
	Shanghai	87468	-8993	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	72.99	-0.2%
Natural gas	2.21	-1.7%

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
-32.4%	25	15	1702	69500	83.5	152	192	-4.0%
-9.3%	1111	1757	1341.5	70000	141.5	6740	2723	13.3%
-13.0%	147	236	986	70500	247	1260	221	-28.0%
-22.9%	1315	7281	720.5	71000	434	11453	1421	66.0%
-22.4%	152	1648	521	71500	686	1168	126	950.0%
7.2%	4760	13175	355	72000	1015	3150	536	23.2%
485.7%	41	98	341	72500	1352.5	3	1	0.0%
11.6%	1802	5242	130	73000	1770.5	131	129	24.0%
0.0%	8	0	76	73500	2248.5	0	0	0.0%

MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
4850.0%	99	582	388.9	5900	95.8	58791	1790	105.7%
0.0%	5	46	327.1	5950	111.6	12443	188	422.2%
202.1%	725	10053	307.1	6000	129.7	86712	4206	16.6%
60.0%	40	745	275.5	6050	151.3	17593	300	455.6%
337.2%	2794	64269	247.5	6100	174	105985	3467	120.7%
883.3%	767	25391	221.6	6150	199.8	44542	644	407.1%
222.6%	8774	194771	197.1	6200	227.4	151808	4014	70.2%
206.1%	2023	29644	175.5	6250	254.4	17860	378	5.0%
30.0%	10274	111947	155.3	6300	285	33966	1698	-32.5%

MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-4.6%	291	49	36.85	150	0.05	1566	4047	-1.6%
-6.0%	233	103	26.75	160	0.15	10997	6179	-3.6%
-17.0%	1226	5929	17.3	170	0.55	39193	7776	-5.3%
3.7%	1777	19007	12.75	175	1.15	46626	6328	-2.9%
2.8%	7541	82547	8.8	180	255	149108	7985	-31.2%
60.0%	9234	138824	5.7	185	4.9	142977	5578	8.7%
9.2%	16915	180072	3.35	190	8.15	127461	3980	-7.5%
9.7%	11816	95775	1.2	200	16.55	14731	1384	0.9%
5.3%	6288	22607	0.4	210	25.95	221	331	4.1%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Sept	6,146	6,066	6,106	6,150	6,190	6,234	Bearish	Moderate	6128 - 6212
Cocudakl	NCDEX	Sept	3,046	2,885	2,966	3,065	3,146	3,245	Bearish	Moderate	2926 - 3106
Cotton	NCDEX	Sept	57,050	56,950	57,000	57,050	57,100	57,150	Bearish	Moderate	57025 - 57125
Dhaniya	NCDEX	Sept	6,718	6,639	6,679	6,709	6,749	6,779	Bearish	Low	6694 - 6764
Jeera	NCDEX	Aug	27,100	25,387	26,243	26,897	27,753	28,407	Bearish	Moderate	26570 - 28080
Guar Seed	NCDEX	Sept	5,269	5,269	5,269	5,269	5,269	5,269	Bearish	Moderate	5269 - 5269
Guar Gum	NCDEX	Sept	10,269	10,198	10,233	10,291	10,326	10,384	Bearish	Moderate	10216 - 10309
Mentha Oil	MCX	Aug	983	976	979.50	982	985	987	Flat	Moderate	981 - 986
Turmeric	NCDEX	Oct	15,726	15,629	15,677	15,739	15,787	15,849	Flat	Moderate	15653 - 15763

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	71777	70948	71363	71817	72232	72686	Bullish	High	71590 - 72459
Gold Comex	Comex	Aug	2511	2487	2499	2513	2526	2540	Bullish	High	2506 - 2533
Silver	MCX	Sept	84730	83481	84105	84973	85597	86465	Strong	Moderate	83793 - 85285
Silver Comex	Comex	Sept	29.52	28.82	29.17	29.60	29.95	30.38	Bullish	High	29 - 30
Crude	MCX	Aug	6154	6015	6084	6164	6233	6313	Bearish	Moderate	6050 - 6199
Crude Nymex	Nymex	Sept	73.17	71.52	72.35	73.36	74.19	75.20	Bearish	Moderate	72 - 74
Nat Gas	MCX	Aug	184	177	181	186	189	194	Strong	Low	179 - 188
BullDex	MCX	Aug	18051	17868	17960	18046	18138	18224	Strong	Moderate	18003 - 18181
Copper	MCX	Aug	799.95	791	796	802	806	813	Strong	Low	793 - 804
Zinc	MCX	Aug	264.60	259	262	265	267	270	Bullish	High	263 - 269
Lead	MCX	Aug	189	186	188	189	190	191	Flat	Moderate	188 - 191
Aluminum	MCX	Aug	226.55	222	224	226	228	230	Bullish	High	225 - 229

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