



Tuesday, August 27, 2024

## Overview

- Powell leans towards a rate cut in September
- Oil prices rally on supply disruptions in Libya and wider war in the Middle East.
- Natural Gas Prices Pressured by Robust Supplies and Forecasts for Cooler Temps

## Precious Metals

Gold prices fell in early morning trade, but remained in sight of record highs it hit last week as the prospect of lower U.S. interest rates battered the dollar and presented a brighter outlook for metal markets. Bullion surged to record highs last week, as market participants welcomed dovish comments from the Federal Reserve. Some safe haven demand also buoyed gold as ceasefire talks between Israel and Hamas yielded few results, while hostilities in the Middle East persisted. Prospect of lower interest rate weighed on Dollar index which fell to a 13-month low, however some recovery was seen in yesterday's session weighing on metal prices. Fed Chair Jerome Powell in the Jackson Hole symposium said that rate cuts were imminent and that further cooling in the labor market was unwelcome. Hezbollah had launched hundreds of rockets and drones at Israel over the weekend, Russia also launched drones at Ukraine. However, UN and other major nations are continuously trying to ease off the situation by initiating ceasefire talks. Focus today will be on US consumer confidence data. Gold price on domestic front could trade in a range of 71,500-72,500.

Precious metals	Close (\$)	%Chg.
Gold	2508.9	-0.3%
Silver	29.95	0.2%
CFTC data	Speculative Longs	Change WoW
Gold	236749	17077
Silver	31998	7741
ETF	Close	%Chg.
GOLD ETF	1952.8	-6.46
Silver ETF	25980	-59.73
Others	Close	%Chg.
DXY	100.85	0.0%
US 10Y Yields	3.82	0.3%

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## Base Metals

Copper prices in Shanghai climbed to their highest in more than three weeks, supported by a rebound in demand in China and on hopes of a U.S. rate cut in September. Federal Reserve Chair Jerome Powell last week endorsed an imminent start to rate cuts, which could support metals demand as well as pressuring the dollar, making greenback-priced metals cheaper to holders of other currencies. Chile appears to be emerging from an intense period of wage negotiations relatively unscathed. Over the weekend, about 300 workers at a Lundin Mining Corp copper mine returned to work. This follows the main union at BHP's Escondida mine ratifying a new labour agreement following strike action. The risks have not evaporated, however, with several mines in Chile, representing approximately 900kt of copper or 4% of global supply, yet to finalize wage discussions. China's Industrial profits were also reported slightly better than expectations today in the early morning session, supporting the sentiment.

## Energy

Oil prices advanced after Libya's eastern government announced it would halt exports, building on tensions in the Middle East after Israeli strikes on Hezbollah targets in southern Lebanon raised concerns of a broader conflict. A key issue is the disruption at the El Sharara oil field, one of Libya's largest, which has been severely impacted by political tensions. The move is the latest in a political struggle over control of the central bank and oil revenues. Last month, Libya produced about 1.15 million barrels, and a drop in exports may temporarily support prices. Markets remain on edge as skirmishes between Israel and Hezbollah intensify. Israel sent more than 100 warplanes to take out Hezbollah missile launchers, prompting the militant group to fire thousands of missiles at northern Israel. There have also been reports of fires burning around the oil tanks of a ship attacked by Houthi rebels in the Red Sea. Meanwhile, expectations of lower U.S. interest rates also boosted oil prices in recent sessions, following a string of dovish signals from the Federal Reserve. Focus today will be on US consumer confidence data. Natural gas prices moved lower over past week, Gas prices have been under pressure due to robust supplies and forecasts for moderate temperatures that will reduce Gas demand from electricity providers to run air conditioning.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	800	0.7%
Aluminium	2300	2.2%
Nickel	1420	1.0%
Lead	185	-2.5%
Zinc	269	0.7%

Inventory		Current	W/W Chg.	Units
Copper	LME	315575	-4125	MT
	Shanghai	251062	-11144	MT
Aluminum	LME	870950	-3500	MT
	Shanghai	291398	4116	MT
Nickel	LME	116616	654	MT
	Shanghai	18021	-126	MT
Lead	LME	180900	-1575	MT
	Shanghai	23679	-36938	MT
Zinc	LME	256050	-800	MT
	Shanghai	85438	-2030	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	77.17	-0.1%
Natural gas	1.97	-3.4%

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	178609	-22131
Natural Gas	-40280	21133

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
-9.1%	10	2	1627.5	69500	4.5	6883	496	32.3%
-19.4%	693	578	1315.5	70000	6.5	9540	3278	6.0%
-27.2%	83	277	867	70500	15	5208	774	12.2%
-53.6%	1067	11752	523	71000	61	31950	3437	13.5%
66.1%	1060	17672	301.5	71500	232	16054	825	323.1%
-2.4%	5281	45627	176	72000	590.5	5402	403	-8.8%
103.3%	685	9117	91	72500	1050.5	16	4	33.3%
22.9%	2766	16839	40.5	73000	1469	197	50	-56.9%
444.4%	49	472	33	73500	1999.5	0	0	0.0%

### MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-18.6%	1529	14571	198.2	6250	78.3	36793	2370	99.0%
-48.6%	3056	83356	174.9	6300	95.2	116429	6718	82.0%
-56.4%	444	32168	153.2	6350	111.7	30430	1690	113.1%
-28.5%	4896	139869	131	6400	132.2	113297	6730	129.6%
11.2%	1978	50281	113.1	6450	155.8	28745	1289	1883.1%
-4.0%	9695	168218	96.4	6500	179.1	107315	5570	185.3%
7.8%	2562	33253	80.8	6550	206.6	4027	142	846.7%
-20.6%	7152	89205	70.1	6600	236.8	16902	825	171.4%
37.0%	1111	20841	59.8	6650	270.2	100	18	80.0%

### MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-100.0%	0	0	42.8	140	1.25	4197	620	-78.7%
30.1%	95	40	35.4	150	2.45	14285	2610	-21.6%
-48.3%	256	1512	27.1	160	4.45	24632	2354	-66.5%
-75.9%	278	2932	23.45	165	5.9	19294	978	-92.3%
-79.0%	1503	15127	19.95	170	255	34973	2808	16.0%
-94.4%	934	6488	17.15	175	9.7	12246	822	-83.6%
-68.0%	6100	33978	14.5	180	12.2	33332	4622	7.0%
-71.8%	5414	25572	10	190	18.15	7373	2412	34.7%
-60.5%	4980	19253	6.75	200	24.95	1121	1038	0.4%

## Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Sept	6,100	5,911	6,005	6,077	6,171	6,243	Bearish	Moderate	5958 - 6124
Cocudakl	NCDEX	Sept	3,539	3,260	3,400	3,485	3,625	3,710	Bearish	Moderate	3443 - 3668
Cotton	NCDEX	Sept	58,020	57,873	57,947	58,023	58,097	58,173	Bearish	Moderate	57985 - 58135
Dhaniya	NCDEX	Sept	6,848	6,643	6,745	6,823	6,925	7,003	Bearish	Moderate	6784 - 6964
Jeera	NCDEX	Sept	25,345	24,702	25,023	25,232	25,553	25,762	Bearish	Moderate	25128 - 25658
Guar Seed	NCDEX	Sept	5,209	5,078	5,143	5,181	5,246	5,284	Bearish	Moderate	5162 - 5265
Guar Gum	NCDEX	Sept	10,143	9,780	9,961	10,066	10,247	10,352	Bearish	Moderate	10014 - 10300
Mentha Oil	MCX	Sept	987	980	983.47	989	992	998	Flat	Moderate	986 - 995
Turmeric	NCDEX	Oct	13,976	13,485	13,731	14,145	14,391	14,805	Bearish	Moderate	13608 - 14268

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	72039	71519	71779	72015	72275	72511	Bullish	High	71897 - 72393
Gold Comex	Comex	Sept	2520	2501	2510	2519	2529	2537	Bullish	Moderate	2515 - 2533
Silver	MCX	Sept	85668	84245	84957	85563	86275	86881	Strong	Moderate	85260 - 86578
Silver Comex	Comex	Sept	30.01	29.43	29.72	29.97	30.26	30.52	Bullish	Moderate	30 - 30
Crude	MCX	Sept	6483	6242	6363	6439	6560	6636	Strong	Moderate	6401 - 6598
Crude Nymex	Nymex	Oct	76.17	73.23	74.70	75.55	77.02	77.87	Strong	Low	75 - 77
Nat Gas	MCX	Sept	180	175	178	181	184	187	Bearish	Moderate	176 - 182
BullDex	MCX	Aug	18100	17939	18019	18100	18180	18261	Strong	Low	18060 - 18221
Copper	MCX	Aug	800.15	790	795	798	804	807	Strong	Moderate	792 - 801
Zinc	MCX	Aug	269.25	265	267	269	271	272	Bullish	High	268 - 271
Lead	MCX	Aug	185	179	182	186	189	193	Bearish	Moderate	181 - 188
Aluminum	MCX	Aug	229.50	226	228	231	232	235	Bullish	Moderate	227 - 232

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