



Thursday, August 08, 2024

Overview

- Gold steadied amidst rate cut expectations
- Oil rises on sharp US crude inventory draws
- Copper prices fell following surge in inventories

Precious Metals

Gold prices edged higher, aided by rising expectations of a U.S. interest rate cut and persistent tensions in the Middle East, while traders awaited economic data for insights into the Federal Reserve's policy path. Some stability was seen in metal prices, after sharp volatility witnessed in the previous session; however, recovery in Dollar Index from recent lows of ~102.20 to ~103.30 capped some gains. Market see a 72% chance of 50 basis points cut in September, up from 70% at the start this week, according to CME Fed-Watch Tool, with an additional cut anticipated in December. BofA Global Research brought forward its expectation of the first cut to September from December, while other major brokerages now expect the Fed to cut rates in all the three remaining meetings of the year. China's central bank held back on buying gold for its reserves for a third straight month in July, official data showed. Iran in their recent comments have mentioned that they will not stay quiet, increasing more fears of regional conflicts, after the killing in Tehran last week of Hamas' leader. Market participants today, will keep an eye on the US weekly jobless claims and RBI monetary policy meeting. Gold price on domestic front could trade in a range of 68,500-69,500

Precious metals	Close (\$)	%Chg.
Gold	2390.4	0.4%
Silver	26.89	1.1%
CFTC data	Speculative Longs	Change WoW
Gold	188909	-9535
Silver	24930	-871
ETF	Close	%Chg.
GOLD ETF	1952.1	-7.60
Silver ETF	25948	100.79
Others	Close	%Chg.
DXY	103.20	-0.1%
US 10Y Yields	3.92	2.0%

Base Metals

Copper prices fell, tracking a jump in inventories following addition of almost 43000 MT in a single day, showing signs of weak demand and excess supply in warehouses. LME copper has shed almost 20% since hitting all-time highs around \$11000 in May whereas currently prices are trading near 4 month lows. Data also showed imports of unwrought copper and products fell almost 3% in July from the year earlier. Recent data has confirmed the decline in demand for industrial goods, with the NBS and Caixin manufacturing PMIs indicating contraction in July and the ISM PMI indicating softness in US manufacturers. The dollar's resurgence put pressure on major base metals, making it harder to recoup from the worldwide sell-off across most asset classes seen this week. Furthermore, news that certain Chinese smelters are pursuing new projects to meet output demands contradicted prior reports of a joint production drop to reduce treatment charges, alleviating supply concerns and adding to the pressure.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	771	-1.5%
Aluminium	2120	1.5%
Nickel	1363	-1.0%
Lead	183	0.0%
Zinc	245	-0.1%

Inventory		Current	W/W Chg.	Units
Copper	LME	294750	42175	MT
	Shanghai	295141	-6062	MT
Aluminum	LME	914450	-3600	MT
	Shanghai	274193	10035	MT
Nickel	LME	110670	564	MT
	Shanghai	16553	200	MT
Lead	LME	218425	-3550	MT
	Shanghai	34535	-6235	MT
Zinc	LME	244375	-3450	MT
	Shanghai	105420	-8558	MT

Energy

Oil prices rallied as a sustained drop in U.S. inventories spurred some optimism over sustained demand in the world's biggest fuel consumer- China. The recovery comes after the commodity slumped to seven-month lows amid the recent equities rout. U.S. crude inventories fell 3.73 Mbs, bringing stockpiles to the lowest level since Feb. Inventories declined for a sixth straight week, the longest streak since Jan 2022, in a sign that demand for physical barrels remains robust. Bank of Japan moved to reassure markets in wake of historic volatility after the slump, prompted in part by mass unwinding of so-called currency carry trades. However, concerns remain after dismal economic data from top oil importer China, especially on its crude imports. China imported around 10 Mbs of oil in July, down 12% from June and 3% lower than same period last year. The drop in imports came amid weaker fuel demand and lower refining margins. The weak import data, preceded by a string of soft economic readings from China, which added to concerns over slowing growth in world's biggest oil importer. Natural gas traded higher on forecasts for hotter US temperatures. For today, market participants await natural gas inventory data due in the evening.

Energy	Close (\$)	%Chg.
WTI Crude oil	75.56	0.1%
Natural gas	2.10	4.8%

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	211917	-27320
Natural Gas	-53537	2182

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
-20.7%	69	69	2097.5	67000	321	1187	833	-2.2%
0.0%	2	0	2050.5	67500	744	0	4	0.0%
-6.7%	389	562	1480	68000	629	1915	1076	3.7%
17.2%	34	91	1211	68500	817.5	268	132	2.3%
10.1%	1579	4266	993	69000	1093.5	2061	1176	5.8%
7.6%	170	203	819.5	69500	1366.5	18	56	1.8%
1.2%	3089	3713	652.5	70000	1753.5	215	1055	-1.6%
17.6%	60	47	538.5	70500	2104	1	12	-7.7%
17.7%	2395	3122	434.5	71000	2484.5	20	262	-1.5%

MCX Crude Oil

Call		Particulars			Put			
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-31.8%	2821	78019	194.4	6100	42.2	189145	9382	34.6%
-62.4%	1015	45375	167.1	6150	54.1	87713	3603	200.8%
-58.6%	4279	233418	140.7	6200	70.3	283970	9314	28.5%
-47.0%	1266	80369	118.7	6250	89.2	86145	2363	14.0%
-16.5%	7853	300087	99.3	6300	111.4	245100	7960	38.1%
-7.5%	3362	88387	82.1	6350	136.4	40692	1831	3.4%
-29.4%	9014	202690	69.9	6400	166.2	84114	4074	1.6%
-17.4%	2819	52909	58.4	6450	198.5	7491	1512	1.7%
-25.2%	13325	148445	51.1	6500	232.4	19409	4311	-8.8%

MCX Natural Gas

Call		Particulars			Put			
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-4.0%	385	603	23.15	150	2.1	12426	5668	11.2%
-49.1%	696	7254	16.1	160	4.05	27294	5185	-15.2%
-32.6%	3709	45511	10.4	170	7.25	53723	5652	37.0%
-24.1%	3105	41894	8.05	175	9.55	32343	2982	49.3%
-8.9%	10085	53260	6.05	180	255	21239	3527	0.7%
-29.2%	3156	20825	4.5	185	15.25	3752	1028	2.3%
-19.5%	6553	30009	3.3	190	18.55	3862	1095	-2.1%
-10.6%	9026	26257	1.85	200	26.25	180	1056	-0.4%
-12.3%	4182	11294	1.05	210	35.9	5	329	-0.3%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Aug	6,163	6,106	6,135	6,180	6,209	6,254	Bearish	Moderate	6121 - 6195
Cocudakl	NCDEX	Aug	2,816	2,767	2,792	2,810	2,835	2,853	Bearish	Moderate	2780 - 2823
Cotton	NCDEX	Sept	56,500	56,040	56,270	56,460	56,690	56,880	Bearish	Moderate	56365 - 56785
Dhaniya	NCDEX	Aug	6,998	6,881	6,939	7,019	7,077	7,157	Bearish	Moderate	6910 - 7048
Jeera	NCDEX	Aug	26,370	26,000	26,185	26,445	26,630	26,890	Bearish	Moderate	26093 - 26538
Guar Seed	NCDEX	Aug	5,294	5,143	5,218	5,262	5,337	5,381	Bearish	Moderate	5240 - 5359
Guar Gum	NCDEX	Aug	10,447	9,920	10,183	10,334	10,597	10,748	Bearish	Moderate	10259 - 10673
Mentha Oil	MCX	Aug	1,002	991	996.53	1,002	1,007	1,012	Bullish	High	999 - 1010
Turmeric	NCDEX	Aug	15,856	15,509	15,683	15,985	16,159	16,461	Bearish	Moderate	15596 - 16072

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	68965	68279	68622	69046	69389	69813	Bearish	Moderate	68451 - 69218
Gold Comex	Comex	Aug	2389	2355	2372	2397	2414	2439	Bearish	Moderate	2364 - 2405
Silver	MCX	Sept	79623	77584	78604	79330	80350	81076	Bearish	Low	78094 - 79840
Silver Comex	Comex	Sept	27.22	26.23	26.72	27.20	27.69	28.17	Bearish	Moderate	26 - 27
Crude	MCX	Aug	6186	6007	6097	6167	6257	6327	Bearish	Moderate	6132 - 6292
Crude Nymex	Nymex	Sept	72.34	70.21	71.28	72.52	73.59	74.83	Bearish	Moderate	71 - 73
Nat Gas	MCX	Aug	170	157	163	167	174	178	Flat	Moderate	165 - 176
BullDex	MCX	Aug	17289	17033	17161	17283	17411	17533	Bearish	Moderate	17097 - 17347
Copper	MCX	Aug	782.50	764	773	779	788	793	Bearish	Moderate	776 - 790
Zinc	MCX	Aug	247.45	243	245	247	249	250	Bearish	Moderate	244 - 248
Lead	MCX	Aug	183	176	179	182	185	188	Bearish	Moderate	181 - 186
Aluminum	MCX	Aug	214.00	207	211	212	216	218	Flat	Moderate	211 - 217

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 Upadhvyay	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 dp@grievances@motilaloswal.com.