



Thursday, August 22, 2024

Overview

- Fed reflected a dovish stance in recent FOMC minutes
- Oil tumbles despite huge draws in inventory
- Copper stabilizes after recent sell off
- Today will be the first day of Jackson Hole Symposium which will be in focus along with PMI figures from US.

Precious Metals

Gold prices regained lost ground to hover close to their all-time highs after minutes from the U.S. Federal Reserve's last meeting showed officials strongly leaned towards an interest rate cut at their September policy meeting. Several officials said recent progress on inflation and increases in the unemployment rate provide a 'plausible case' for a 25-basis-point rate cut in next meeting. Some officials are still in the wait and watch approach, moving according to the economic data points. Fed officials also mentioned that balance sheet run-off could continue even after rate cut begin. In a surprising event, US BLS announced a revision in payroll number the data showed economy added 818,000 fewer jobs than previously reported over the 12 months ended March i.e. job growth wasn't as strong in the year ended March as initially reported. Following the Fed minutes, dollar extended losses to a more than seven-month low, while benchmark U.S.10-year bond yields fell to a more than two-week low. Focus today will be on preliminary manufacturing and services PMI from major economies and US weekly jobless claims data. Market's focus will also be on Governor Powell's keynote speech at the Jackson Hole symposium on Friday. Gold price on domestic front could trade in a range of 71,300-72,300.

Precious metals	Close (\$)	%Chg.
Gold	2501.2	-0.4%
Silver	29.37	-0.9%
CFTC data	Speculative Longs	Change WoW
Gold	219672	34198
Silver	24257	-647
ETF	Close	%Chg.
GOLD ETF	1957.2	-13.60
Silver ETF	26088	-28.39
Others	Close	%Chg.
DXY	101.04	0.2%
US 10Y Yields	3.80	-1.1%

Base Metals

Copper remained stable after hedge funds reduced their bullish bets recently. Fund managers seem to have cut their positions; as copper demand remains sluggish. Aluminium prices stabilized as speculators booked profits after rising for consecutive sessions. Losses in the most traded three-month aluminium contract on the London Metal Exchange eased as the US dollar sank to its lowest level since December, boosting greenback-priced commodities. According to FOMC meeting minutes, Fed members were strongly leaning toward an interest rate decrease during their September policy meeting last month, with several even eager to reduce borrowing costs immediately. Meanwhile, employers gained much fewer jobs than previously reported in the year to March, according to BLS. PMI figures and Chair Jerome Powell's address at Jackson Hole will be important.

Energy

Oil prices fell to a six-month low as traders looked past a bullish U.S. stockpile report, focusing instead on concerns over the U.S. economy. A sharp downward revision in the number of jobs sparked fresh concerns about demand. The Bureau of Labor Statistics revised down March 2024's employment gains by 818,000 positions earlier in session. Although this was less than the estimated reduction of up to 1 million jobs, the revision lowered average number of jobs created in 12 months through March to 174,000, down from previous pace of 242,000. The data somewhat renewed investor concerns about a slowing economy and crude demand, though these were tempered somewhat by expectations that the Federal Reserve may deliver its first rate cut next month. This news overshadowed inventory data showing that commercial stockpiles fell by a larger-than-expected 4,649 kbbl last week. Refined product inventories also declined, with gasoline down 1,606 kbbl and distillate down 3,312 kbbl. Demand concerns from China remain major worry after China's central bank kept its benchmark loan prime rate unchanged, following an unexpected rate cut in July. Focus is now squarely on signals of further economic support from Beijing as government struggles to shore up growth. China's oil imports fell for a second consecutive month in July, as weak economic growth weighed on fuel demand in country. Market's focus will also be on Governor Powell's keynote speech at the Jackson Hole symposium on Friday.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	804	-0.8%
Aluminium	226 ^P	1.1%
Nickel	1419	3.9%
Lead	189	0.2%
Zinc	267	0.2%

Inventory		Current	W/W Chg.	Units
Copper	LME	319625	-425	MT
	Shanghai	262206	-24099	MT
Aluminum	LME	877950	-3500	MT
	Shanghai	287282	8655	MT
Nickel	LME	115602	1536	MT
	Shanghai	18387	261	MT
Lead	LME	185500	-5600	MT
	Shanghai	60617	21216	MT
Zinc	LME	257625	-1175	MT
	Shanghai	87468	-8993	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	71.77	-0.3%
Natural gas	2.20	-1.0%

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
-20.0%	20	7	2065	69500	80	163	202	5.2%
-5.9%	1046	1541	1460	70000	141	6817	2816	3.4%
4.8%	154	200	1035.5	70500	232.5	1523	253	14.5%
8.8%	1431	9727	766.5	71000	395	15015	1553	9.3%
146.1%	374	5289	542.5	71500	633	1594	185	46.8%
3.9%	4947	23908	368.5	72000	944.5	6091	630	17.5%
102.4%	83	194	231.5	72500	1476.5	1	2	100.0%
9.1%	1966	5121	128	73000	1711.5	83	136	5.4%
-37.5%	5	11	91.5	73500	2158	0	0	0.0%

MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
3675.0%	151	354	443	5800	99.7	41770	1884	5.9%
0.0%	0	0	365	5850	116.7	8946	306	287.3%
296.0%	392	1160	340.7	5900	136.6	56315	2385	33.2%
2020.0%	106	435	312.2	5950	158.6	12374	662	252.1%
433.7%	3869	28134	278	6000	183.5	98839	5598	33.1%
1470.0%	628	4340	248.9	6050	210.5	28043	681	127.0%
259.9%	10056	105679	223.1	6100	240.5	127483	5073	46.3%
334.2%	3330	49167	199.9	6150	270.2	43889	635	-1.4%
85.9%	16310	187942	175.6	6200	304.2	122305	4652	15.9%

MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
2.7%	299	107	33.6	150	0.05	1151	3500	-13.5%
-10.3%	209	175	23.75	160	0.1	6583	5634	-8.8%
15.4%	1415	12582	14.5	170	0.5	33587	6841	-12.0%
49.7%	2661	38118	10.15	175	1.4	77211	5394	-14.8%
49.2%	11253	134763	6.55	180	255	183477	7859	-1.6%
51.5%	13986	177819	3.9	185	6.2	133629	5441	-2.5%
27.1%	21502	133689	2.2	190	10.15	68639	3524	-11.5%
-1.3%	11665	35155	0.65	200	19.25	6068	1147	-17.1%
0.7%	6331	5856	0.2	210	27.6	24	324	-2.1%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Sept	6,222	6,183	6,203	6,232	6,252	6,281	Bearish	Moderate	6193 - 6242
Cocudakl	NCDEX	Sept	3,287	3,233	3,260	3,279	3,306	3,325	Bearish	Moderate	3270 - 3316
Cotton	NCDEX	Sept	57,200	57,033	57,117	57,183	57,267	57,333	Bearish	Moderate	57150 - 57300
Dhaniya	NCDEX	Sept	6,758	6,675	6,717	6,757	6,799	6,839	Bearish	Moderate	6696 - 6778
Jeera	NCDEX	Aug	24,760	23,597	24,178	24,582	25,163	25,567	Bearish	Moderate	24380 - 25365
Guar Seed	NCDEX	Sept	5,213	5,138	5,175	5,220	5,257	5,302	Bearish	Moderate	5157 - 5239
Guar Gum	NCDEX	Sept	10,142	9,938	10,040	10,160	10,262	10,382	Bearish	Moderate	9989 - 10211
Mentha Oil	MCX	Aug	982	974	977.60	981	985	989	Bearish	Moderate	976 - 983
Turmeric	NCDEX	Oct	15,168	14,537	14,853	15,441	15,757	16,345	Bearish	Moderate	14695 - 15599

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	71830	71171	71500	71800	72129	72429	Bullish	High	71336 - 71965
Gold Comex	Comex	Aug	2508	2498	2503	2509	2515	2521	Bullish	Moderate	2500 - 2512
Silver	MCX	Sept	84863	83771	84317	84796	85342	85821	Strong	Moderate	84557 - 85582
Silver Comex	Comex	Sept	29.54	28.97	29.25	29.51	29.79	30.05	Bullish	Moderate	29 - 30
Crude	MCX	Aug	6030	5880	5955	6095	6170	6310	Bearish	Moderate	5918 - 6133
Crude Nymex	Nymex	Sept	71.30	69.35	70.32	71.86	72.83	74.37	Bearish	Moderate	70 - 72
Nat Gas	MCX	Aug	181	175	178	183	186	190	Bearish	Moderate	176 - 184
BullDex	MCX	Aug	18033	17897	17965	18018	18086	18139	Strong	Moderate	17931 - 18052
Copper	MCX	Aug	804.20	796	800	803	807	810	Strong	Moderate	802 - 809
Zinc	MCX	Aug	266.95	264	265	267	268	270	Bullish	High	266 - 269
Lead	MCX	Aug	189	188	189	189	190	190	Flat	Moderate	189 - 190
Aluminum	MCX	Aug	226.25	223	225	226	228	229	Bullish	Moderate	224 - 227

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