



Monday, August 26, 2024

Overview

- Powell leans towards a rate cut in September
- Gold and silver gain, dollar at year-low
- Oil gains on fears of broadening Middle East Conflict

Precious Metals

Gold prices gained more than 1% as the dollar and Treasury yields retreated following comments from Federal Reserve Chair Jerome Powell at Jackson hole symposium that signaled an interest rate cut in September. Governor Powell said "the time has come" for the U.S. central bank to cut interest rates and that inflation was nearing the Fed's 2% target, offering an explicit endorsement of an imminent policy easing. US dollar index fell to a 52-week low 100.60, while benchmark U.S. 10-year yields also declined following Fed Governor's speech at the Jackson Hole symposium. CME fed watch-tool suggest that Traders are expecting a 62% chance of a 25-basis point cut in September, while 38% expect a deeper 50-bps reduction. Previous week, US Services PMI was reported better than expectations however, manufacturing PMI and a few housing data were lower than estimates increasing volatility in market. Over the weekend, there were series of updates regarding Geo-political tensions, amidst Hezbollah's first phase of attacks on Israel as a retaliatory move against killing their senior leader. Further escalation and involvement of other major economies could support an up-move in bullions. Focus this week will be on the US Consumer confidence, durables goods orders. GDP and PCE price index. Gold price on domestic front could trade in a range of 71,200-72,300.

Precious metals	Close (\$)	%Chg.
Gold	2512.8	0.0%
Silver	29.76	-0.2%
CFTC data	Speculative Longs	Change WoW
Gold	236749	17077
Silver	31998	7741
ETF	Close	%Chg.
GOLD ETF	1959.2	1.71
Silver ETF	26040	-1.41
Others	Close	%Chg.
DXY	100.72	-0.1%
US 10Y Yields	3.79	-1.4%

Base Metals

Most base metals hit multi-week highs in previous sessions following supply concerns and growing optimism about definite interest rate cuts from Fed. Powell made the "strongest call for rate cuts" at the Jackson Hole Economic Symposium: the time for policy adjustment has arrived although he did not provide any hints about the quantum of rate cuts, and the likelihood of a 50 basis point rate cut by the US Fed in September increased following Powell's address, as per CME Fed watch tool. The US dollar index decreased to 13 months' low, which boosted copper prices. As the fourth quarter approaches, domestic smelters gradually cut production, resulting in limited arrivals. Domestic copper cathode social inventory has continued to drop. On the consumption front, downstream restocking sentiment was strong over the weekend, and overall consumption did well. Today, LME remains shut following a bank holiday in the UK.

Energy

Oil prices traded positive in early morning session, extending a rebound from the prior session as media reports showed no progress towards an Israel-Hamas ceasefire while hostilities in the region persisted. A poor economic outlook in major economies continues to hang over the market. Along with this, growing optimism over lower U.S. interest rates also supported oil prices, as traders bet that the world's biggest economy was headed for a soft landing. Data last week showed US manufacturing contracting at its fastest pace this year. In Europe, futures for diesel fell to their lowest level in 14 months amid weak industrial demand. Meanwhile, market continues to muse over OPEC's next move. The producer group announced earlier this year that it plans to increase output in Q4 as the market recovers. However, with prices down 6% since that announcement, expectations are growing that these plans may be delayed.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	799	-1.3%
Aluminium	2300	-0.7%
Nickel	1407	-1.6%
Lead	190	0.1%
Zinc	267	-0.6%

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	18147	-36	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	75.42	0.6%
Natural gas	2.02	-1.5%

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
-21.4%	11	5	1356	69500	20.5	881	375	42.0%
-9.0%	860	1896	942.5	70000	36.5	12018	3092	27.7%
-25.5%	114	841	614	70500	75	7420	690	124.0%
22.3%	2299	20622	363.5	71000	223.5	26716	3027	154.2%
-59.7%	638	12903	186.5	71500	490.5	2796	195	29.1%
-3.8%	5410	32629	113.5	72000	874.5	999	442	-7.5%
109.3%	337	3835	70	72500	1312	0	3	0.0%
15.8%	2250	10639	29.5	73000	1738.5	53	116	-10.8%
80.0%	9	9	43.5	73500	2222.5	0	0	0.0%

MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-56.4%	691	9768	274.9	6000	66.3	59834	7360	22.5%
-62.1%	128	2910	246.7	6050	80.5	16575	2867	16.4%
-65.2%	1745	47401	218.9	6100	97.1	83855	6685	7.8%
-16.2%	1504	29023	193.5	6150	116	31014	1641	108.8%
-44.7%	5028	154092	169.4	6200	135.4	119564	6152	93.6%
-16.2%	1878	47440	147.8	6250	158.3	24665	1191	510.8%
-38.7%	5942	108859	128.1	6300	181.9	66725	3692	91.5%
-60.5%	1019	20450	109.9	6350	206	3950	793	88.8%
-36.9%	6848	59921	96.3	6400	235.4	10647	2931	0.8%

MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
0.0%	5	1	29.15	145	0.05	105	798	-0.7%
200.0%	24	356	17.9	155	0.05	2326	3194	32.8%
34.1%	1152	37580	8.25	165	0.05	69426	12718	114.1%
56.7%	7171	143251	4.15	170	1.05	159847	2420	-78.2%
-7.6%	16781	82995	1.25	175	255	62999	5009	-50.4%
-13.9%	19069	37824	0.6	180	11.1	22402	4319	-40.2%
-7.9%	14873	20909	0.3	185	16.05	3789	1829	-33.3%
-0.2%	9704	1439	0.05	195	26.1	218	501	-0.4%
-0.2%	4194	27	0.05	205	34.8	9	32	10.3%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Sept	6,156	6,056	6,106	6,163	6,213	6,270	Bearish	Moderate	6081 - 6188
Cocudakl	NCDEX	Sept	3,369	3,290	3,329	3,370	3,409	3,450	Bearish	Moderate	3310 - 3390
Cotton	NCDEX	Sept	57,690	57,657	57,673	57,687	57,703	57,717	Bearish	Moderate	57680 - 57710
Dhaniya	NCDEX	Sept	6,774	6,727	6,751	6,783	6,807	6,839	Bearish	Moderate	6739 - 6795
Jeera	NCDEX	Aug	25,325	24,645	24,985	25,390	25,730	26,135	Bearish	Moderate	24815 - 25560
Guar Seed	NCDEX	Sept	5,196	5,091	5,144	5,189	5,242	5,287	Bearish	Moderate	5167 - 5265
Guar Gum	NCDEX	Sept	10,085	9,828	9,957	10,078	10,207	10,328	Bearish	Moderate	10018 - 10268
Mentha Oil	MCX	Aug	981	974	977.27	982	986	991	Bearish	Moderate	976 - 984
Turmeric	NCDEX	Oct	14,520	13,847	14,183	14,737	15,073	15,627	Bearish	Moderate	14015 - 14905

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	71777	71035	71406	71673	72044	72311	Bullish	High	71540 - 72178
Gold Comex	Comex	Aug	2511	2473	2492	2505	2525	2538	Bullish	High	2499 - 2531
Silver	MCX	Sept	85211	83384	84298	84821	85735	86258	Strong	Moderate	84560 - 85997
Silver Comex	Comex	Sept	29.82	28.59	29.21	29.56	30.18	30.53	Bullish	Moderate	29 - 30
Crude	MCX	Aug	6293	6075	6184	6243	6352	6411	Flat	Moderate	6214 - 6382
Crude Nymex	Nymex	Sept	73.93	71.36	72.64	73.41	74.69	75.46	Flat	Moderate	73 - 75
Nat Gas	MCX	Aug	183	179	181	184	185	188	Bearish	Moderate	180 - 184
BullDex	MCX	Aug	18031	17761	17896	17988	18123	18215	Strong	Low	17942 - 18169
Copper	MCX	Aug	799.15	793	796	798	801	804	Bearish	Moderate	797 - 803
Zinc	MCX	Aug	267.25	264	265	267	269	270	Bullish	High	266 - 269
Lead	MCX	Aug	190	188	189	190	190	191	Flat	Moderate	189 - 190
Aluminum	MCX	Aug	229.80	223	226	228	232	234	Bullish	High	227 - 233

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