



Wednesday, August 28, 2024

Overview

- Gold prices settle higher ahead of slew of data this week
- Oil prices rise on falling US stockpiles
- Base metals gain on dollar weakness

Precious Metals

Gold prices rose driven by a weaker dollar, with investors awaiting inflation data that might provide insights on the scale of an expected interest rate cut by the Federal Reserve next month. Dollar Index fell sharply to a more than one-year low, marked at ~100.55; similarly, US 10Y Yield is also inching lower hovering ~3.8%. In the previous week, Governor Powell in his comments in FOMC meeting minutes as well as in Jackson Hole Symposium signaled for a rate cut in next meeting of 25 bps, supporting bullions. Traders see a 63.5% chance of a 25 bps rate cut in September and ~36.5% probability of a bigger 50-bp reduction, according to the CME Fed-Watch tool. Geo-political tensions have increased once again, as Hezbollah carried out a retaliatory move in Israel, while Russia and Ukraine again try fight near their borders. On data front, U.S. consumer confidence rose to a six-month high in August amid optimism over the economic outlook. Investors now await the release of the Personal Consumption Expenditures (PCE) data, a key inflation report and the Fed's preferred inflation gauge, scheduled for Friday. Lower than-expected inflation data could further boost the rate cut expectations from Fed in September meeting. Gold price on domestic front could trade in a range of 71,500-72,500.

Precious metals	Close (\$)	%Chg.
Gold	2514.4	-0.4%
Silver	29.78	-0.7%
CFTC data	Speculative Longs	Change WoW
Gold	236749	17077
Silver	31998	7741
ETF	Close	%Chg.
GOLD ETF	1953.5	0.77
Silver ETF	26059	79.39
Others	Close	%Chg.
DXY	100.55	0.2%
US 10Y Yields	3.83	0.4%

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Base Metals

Copper prices gained, aided by decline in inventories and signs of rising demand in China. Some tightening comes despite a recent surge in Chinese copper exports, which had previously pressured the market. Zinc prices also gained amidst anticipated boost in seasonal demand. The current price increase is mostly the result of an agreement among 14 major Chinese zinc smelters to limit output in response to declining treatment charges, which have impacted profit margins. These zinc concentrate treatment charges have reached historical lows, confirming the market's constrained supply. Dollar has been steady near recent lows of 52-weeks. Heightened geopolitical tensions in the Middle East, Libya, and Ukraine generated some safe-haven demand for the dollar. However, these gains are limited as trader's focus on potential US rate cuts, particularly after Fed Chair Powell hinted at such a move in his Jackson Hole speech last week. Investors now look ahead to the latest initial jobless claims and PCE price index report later this week for more clarity on the rate path.

Energy

Oil prices settled lower snapping a three-session rally as traders continued to assess demand ahead of fresh EIA U.S. inventory data due this week. Prices did receive a slight boost in post-settlement trading Tuesday after API reported a larger-than-expected decline in weekly domestic crude. Data from the API showed U.S. oil inventories saw a draw of 3.4 million barrels in the week to August 23, more than expectations for a draw of 3 mb. The data also showed sustained draws in gasoline and distillate stockpiles. The API data usually heralds a similar reading from official inventory data, which is due later on Wednesday. Nevertheless, geopolitical risks continue to hover over the market. Libya's eastern government declared force majeure on all oil fields, terminals, and facilities as it struggles to gain control of the central bank from its Tripoli-based rival. This comes, as tensions across the Middle East remain elevated. The exchange of fire between Israel and Hezbollah threatens to derail negotiations over a ceasefire. While both parties have said they have concluded military operations for now, the market is still wary of an outbreak. Natural gas prices settled lower for the sixth consecutive session 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	808	0.1%
Aluminium	232 ^P	-0.1%
Nickel	1420	0.0%
Lead	186	0.8%
Zinc	271	0.7%

Inventory		Current	W/W Chg.	Units
Copper	LME	317175	1600	MT
	Shanghai	251062	-11144	MT
Aluminum	LME	867225	-3725	MT
	Shanghai	291398	4116	MT
Nickel	LME	116616	0	MT
	Shanghai	18045	24	MT
Lead	LME	185100	4200	MT
	Shanghai	23679	-36938	MT
Zinc	LME	255800	-250	MT
	Shanghai	85438	-2030	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	75.65	-0.2%
Natural gas	1.92	-2.7%

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	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
-39.8%	417	549	1487.5	70000	0.5	5672	1462	-55.4%
-77.1%	19	167	1005.5	70500	0.5	9257	689	-11.0%
-64.4%	380	6144	554	71000	0.5	29807	1383	-59.8%
-86.0%	148	34534	231	71500	17	16745	547	-33.7%
-28.9%	3756	32238	89	72000	460.5	1985	144	-64.3%
81.0%	1240	17198	26	72500	1058.5	1	3	-25.0%
-63.8%	1000	4370	7.5	73000	1460.5	114	38	-24.0%
-42.9%	28	124	4.5	73500	1999.5	0	0	0.0%
-55.2%	661	1304	3.5	74000	2560	5	4	-20.0%

MCX Crude Oil

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
-37.8%	674	2800	426.6	6100	66.4	47953	7369	2.4%
-1.3%	1004	743	380.9	6150	81.4	17414	2733	26.9%
-20.8%	2056	9235	345.6	6200	97.8	83324	8522	-0.1%
-0.7%	1519	3891	305	6250	117.5	28906	1878	-20.8%
23.5%	3773	36608	272.6	6300	140.9	107181	4518	-32.7%
226.1%	1448	18268	241.8	6350	166.3	37862	1243	-26.4%
98.9%	9737	133536	212.2	6400	192.6	186845	5483	-18.5%
67.8%	3320	55461	185.8	6450	222.3	54598	655	-49.2%
61.3%	15635	179610	159.8	6500	254.1	154472	2970	-46.7%

MCX Natural Gas

Call		Particulars				Put		
% Chg in OI	OI	Volume	Premium	Strike	Premium	Volume	OI	% Chg in OI
0.0%	0	0	50.15	130	0.75	1189	267	65.8%
0.0%	1	1	40.3	140	1.5	4237	1097	76.9%
11.6%	106	141	32.3	150	2.95	11316	2872	10.0%
0.0%	5	58	28.65	155	4.1	5421	421	101.4%
204.3%	779	4871	25	160	255	21012	3208	36.3%
84.9%	514	3068	21.35	165	7.4	14116	1182	20.9%
112.1%	3188	16098	18.05	170	9.5	21794	3230	15.0%
42.9%	8715	31288	12.5	180	15.1	23862	4614	-0.2%
34.8%	7296	18062	8.45	190	22.2	3143	2489	3.2%

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	7,022	6,761	6,891	6,971	7,101	7,181	Bearish	Moderate	6931 - 7141
Jeera	NCDEX	Sept	25,435	24,778	25,107	25,383	25,712	25,988	Bearish	Moderate	25245 - 25850
Guar Seed	NCDEX	Sept	5,260	5,169	5,215	5,247	5,293	5,325	Bearish	Moderate	5231 - 5309
Guar Gum	NCDEX	Sept	10,271	10,080	10,175	10,256	10,351	10,432	Bearish	Moderate	10216 - 10392
Mentha Oil	MCX	Sept	981	973	977.33	984	988	995	Bearish	Moderate	975 - 986
Turmeric	NCDEX	Oct	13,616	12,819	13,217	13,619	14,017	14,419	Bearish	Moderate	13018 - 13818

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	72122	71587	71855	72007	72275	72427	Bullish	High	71931 - 72351
Gold Comex	Comex	Sept	2518	2495	2506	2516	2527	2537	Bullish	Moderate	2511 - 2532
Silver	MCX	Sept	85658	84632	85145	85557	86070	86482	Strong	Low	85351 - 86276
Silver Comex	Comex	Sept	29.98	29.52	29.75	29.93	30.16	30.34	Bullish	Moderate	30 - 30
Crude	MCX	Sept	6353	6229	6291	6402	6464	6575	Strong	Low	6260 - 6433
Crude Nymex	Nymex	Oct	74.46	73.13	73.80	75.00	75.67	76.87	Flat	Moderate	73 - 75
Nat Gas	MCX	Sept	159	152	155	160	164	169	Bearish	Moderate	153 - 162
BullDex	MCX	Aug	18085	17946	18016	18070	18140	18194	Strong	Moderate	18043 - 18167
Copper	MCX	Aug	808.30	798	803	806	812	815	Strong	Moderate	805 - 813
Zinc	MCX	Aug	270.65	267	269	271	272	274	Bullish	High	270 - 273
Lead	MCX	Aug	186	183	185	186	187	188	Bearish	Moderate	185 - 188
Aluminum	MCX	Aug	231.55	226	229	231	234	236	Bullish	Moderate	230 - 235

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