



Wednesday, September 04, 2024

## Overview

- China Services PMI came in below forecasts at 51.6
- Oil sank to its lowest level this year
- Gold prices steady ahead of key economic data
- Today JOLTs job openings will be in focus.

## Precious Metals

Gold and Silver prices languished in yesterday's session on the back of sharp recovery in Dollar Index. On data front, U.S. manufacturing activity contracted at a moderate pace in August amid some improvement in employment, but a further decline in new orders and rise in inventory suggested factory activity could remain subdued for a while. On other hand, economic data from China was not very supportive weighing on Industrial metals, increasing pressure on Silver. Fed Chair Jerome Powell last month said "the time has come" to reduce borrowing costs, given that price pressures have eased considerably and the labor market has cooled. Traders see a 38% chance of a 50 bps cut by the U.S. Federal Reserve on Sept. 18 and a 62% chance of a 25 bps cut, according to the CME Group's Fed-Watch Tool. Israeli forces killed at least 35 Palestinians across Gaza as they battled Hamas-led militants. There have been lot of updates regarding the cease- fire as well from Hamas, influencing volatility in market. Focus today will be on JOLTS and Factory orders data from the US. Market participants will also keep an eye on US non-farm payroll data, scheduled later this week, for better clarity on Fed's monetary policy path ahead and overall labor market.

Precious metals	Close (\$)	%Chg.
Gold	2495.7	0.1%
Silver	28.03	-0.1%
CFTC data	Speculative Longs	Change WoW
Gold	236818	69
Silver	35282	3284
ETF	Close	%Chg.
GOLD ETF	1956.5	-2.30
Silver ETF	26106	17.71
Others	Close	%Chg.
DXY	101.83	-0.1%
US 10Y Yields	3.83	-1.7%

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## Base Metals

Copper prices fell, weighed down by rising inventory, sluggish demand from China, and a stronger dollar. Copper inventories in LME-registered warehouses increased to 317800 tons, the largest level in roughly five years and double the levels observed in mid-June. This increase in inventory has been driven by significant exports from China, adding to the gloomy attitude in the copper market. BHP Group, a major copper miner, has reduced its prediction for China's copper demand growth to 1-2% this year, citing an expected steep drop in house completions. Data suggesting a further slowdown in China's manufacturing activity in August raised concerns about the strength of the country's economic recovery, affecting demand for industrial metals. The dollar recovery has played a vital role in the fall of base metal prices, as a steady reading in US PCE inflation prompted traders to trim bets on aggressive Federal Reserve rate cuts. Upcoming labor market data will be crucial to gauge the Fed's path toward rate cuts.

## Energy

Oil prices tumbled in yesterday's session, erasing its gains for the year after a prospective deal to restore supplies from Libya turned traders' attention back to concerns about tepid global demand for crude. With more than half a million barrels of Libyan crude possibly coming back into the market, the focus is once again on tepid global oil consumption. Economic concerns in key consumer countries including China and the US have weighed on sentiment in recent months, with occasional geopolitical concerns and minor supply disruptions masking the angst. China's factory activity contracted for a fourth straight month in August while weakness in its property sector persists. China's factory activity contracted for a fourth straight month in August while weakness in its property sector persists. Looking ahead, the market is bracing for OPEC+ gradually restore production, starting with 180,000 barrels of daily supplies within weeks. The situation in the natural gas market is not the best either. While the price is receding from this year's extremes, it is still close to the cyclical lows of the last 25 years, and inventories are at the upper end of the range of the last five years.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	785	-0.4%
Aluminium	2230	-5.3%
Nickel	1410	-1.5%
Lead	185	-0.4%
Zinc	265	-3.5%

Inventory		Current	W/W Chg.	Units
Copper	LME	317800	-2850	MT
	Shanghai	241745	-9317	MT
Aluminum	LME	843925	-3500	MT
	Shanghai	289920	-1478	MT
Nickel	LME	119292	-24	MT
	Shanghai	18465	250	MT
Lead	LME	177875	-1500	MT
	Shanghai	25851	2172	MT
Zinc	LME	241325	-1900	MT
	Shanghai	84566	-872	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	69.93	-0.5%
Natural gas	2.21	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	186527	7918
Natural Gas	-70707	-30427

MT- Metric Ton, MNBL – Million Barrel, BCF –Billion Cubic Feet.

## Options Monitor

## MCX Gold Mini

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	0	0	2385	69500	262.5	2	4	33.3%	
26.0%	97	84	2012	70000	400	2853	1312	18.8%	
0.0%	1	3	1654	70500	555.5	77	46	2.2%	
34.5%	912	2827	1330	71000	767	6213	1550	18.9%	
45.3%	234	717	1058	<b>71500</b>	1051	454	106	-7.8%	
8.8%	2771	4828	827.5	72000	1308.5	782	567	6.0%	
37.9%	80	99	656.5	72500	1618	0	1	0.0%	
9.8%	1305	3130	475	73000	2011.5	56	145	-3.3%	
-27.3%	8	25	356	73500	2365.5	0	0	0.0%	

## MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	59	163	624.5	5600	48.5	68114	2011	40.8%	
0.0%	15	26	576.7	5650	58.1	23308	768	144.6%	
23900.0%	240	605	529.6	5700	71.1	87569	3340	15.8%	
0.0%	15	253	483.6	5750	85.9	27671	677	55.3%	
2677.3%	1833	10688	463.3	<b>5800</b>	104.1	143368	4203	23.0%	
9800.0%	198	2983	403.1	5850	123.4	42564	1008	51.4%	
0.0%	5205	56065	368.2	5900	147	179938	8435	53.6%	
6100.0%	1798	22496	318.5	5950	170.6	72174	1348	56.7%	
1497.4%	17508	169181	292.8	6000	199.5	248490	9230	38.4%	

## MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
14.3%	8	1	29.65	155	1.75	6757	1021	-20.3%	
-12.7%	151	1277	23.05	165	3.45	15160	1654	-3.3%	
0.9%	1637	22933	15.9	175	6.35	42635	3806	8.2%	
5.7%	8220	73815	13	180	8.3	70854	6529	-0.2%	
-13.2%	3464	52480	10.6	<b>185</b>	255	29029	1536	-17.8%	
-4.2%	5673	55839	8.4	190	13.65	15985	2208	1.1%	
-19.5%	1506	22070	6.65	195	16.8	3158	129	12.2%	
-0.9%	1149	13446	4	205	23.8	91	10	11.1%	
-47.5%	697	6917	2.3	215	30.55	0	0	0.0%	

## Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Sept	6,118	6,051	6,085	6,121	6,155	6,191	Bearish	Moderate	6068 - 6138
Cocudakl	NCDEX	Sept	3,623	3,514	3,569	3,634	3,689	3,754	Bearish	High	3542 - 3662
Cotton	NCDEX	Sept	59,200	58,473	58,837	59,223	59,587	59,973	Bearish	Moderate	59030 - 59780
Dhaniya	NCDEX	Sept	6,886	6,771	6,829	6,899	6,957	7,027	Bearish	Moderate	6800 - 6928
Jeera	NCDEX	Sept	26,080	25,400	25,740	26,295	26,635	27,190	Bearish	Moderate	25570 - 26465
Guar Seed	NCDEX	Sept	5,325	5,264	5,295	5,324	5,355	5,384	Bearish	Moderate	5310 - 5370
Guar Gum	NCDEX	Sept	10,470	10,293	10,381	10,471	10,559	10,649	Bearish	Moderate	10337 - 10515
Mentha Oil	MCX	Sept	969	960	964.73	971	975	981	Flat	Moderate	963 - 973
Turmeric	NCDEX	Oct	13,432	12,907	13,169	13,349	13,611	13,791	Flat	Moderate	13038 - 13480

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	71381	70618	71000	71382	71764	72146	Bearish	Moderate	70809 - 71573
Gold Comex	Comex	Sept	2490	2464	2477	2489	2502	2515	Bearish	Moderate	2470 - 2496
Silver	MCX	Dec	83252	81689	82470	83482	84263	85275	Bearish	Moderate	82080 - 83873
Silver Comex	Comex	Sept	28.08	27.05	27.56	28.31	28.83	29.58	Bearish	Moderate	27 - 29
Crude	MCX	Sept	6222	6081	6151	6203	6273	6325	Bearish	Moderate	6177 - 6299
Crude Nymex	Nymex	Oct	69.59	66.79	68.19	70.77	72.17	74.75	Bearish	Moderate	67 - 71
Nat Gas	MCX	Sept	185	172	178	182	189	192	Strong	Moderate	180 - 190
BullDex	MCX	Sept	17754	17566	17660	17760	17854	17954	Bearish	Moderate	17613 - 17807
Copper	MCX	Sept	785.35	771	778	789	796	807	Bearish	Moderate	774 - 793
Zinc	MCX	Sept	265.45	261	263	264	267	268	Bearish	Moderate	264 - 267
Lead	MCX	Sept	185	181	183	184	186	188	Bearish	Moderate	182 - 185
Aluminum	MCX	Sept	222.65	220	221	222	223	224	Bearish	Moderate	222 - 224

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