



Monday, September 09, 2024

Overview

- China inflation rate up to 0.6% in Aug 2024 from 0.5% in June
- US unemployment rate in line with expectations at 4.2%
- Focus this week will be on US CPI, PPI and Michigan consumer sentiment data

Precious Metals

Gold price eased towards the end of last week retreating from a record level after a mixed jobs data and comments from a few fed officials casting doubts on a 50bps rate cut in next meeting. On data front, US Non-farm payrolls rose 142000 in August, compared with estimates of 160000, July number were also revised significantly lower. However, the unemployment rate stood at 4.2% in line with expectations but, down from previous month. Similarly, average hourly earnings also increased, raising concerns regarding wage Inflation. Fed official Williams in his comments last week mentioned that he is still contemplating the chances of a rate cut in September the overall tone was less dovish as compared to Governor Powell in Jackson Hole symposium. Post his comments expectations for a 50bps rate cut fell from ~45% to ~25% leading to a selloff in bullions. This mixed data points and fluctuations in rate cut expectations supported dollar index from the lows. Focus this week will be on US CPI, PPI and Michigan consumer sentiment data. Gold on domestic front is expected to trade within a range of ₹71000 – 72000.

Precious metals	Close (\$)	%Chg.
Gold	2497.9	0.0%
Silver	28.01	0.3%
CFTC data	Speculative Longs	Change WoW
Gold	226590	-10228
Silver	26501	-8781
ETF	Close	%Chg.
GOLD ETF	1956.7	-2.51
Silver ETF	26098	-1.42
Others	Close	%Chg.
DXY	101.18	0.1%
US 10Y Yields	3.74	-0.6%

Base Metals

Copper prices settled lower last week on the back of global economic concerns and subdued demand for industrial metals. US non-farm payrolls increased by 142,000 in August, the largest gain since June. The unemployment rate ended a four-month increase and slightly dropped to 4.2%. Non-farm payrolls for June and July were revised down by a total of 86,000. This data released by the US last Friday was mixed, where probabilities for greater cuts by the Fed increased. China's annual inflation rate edged up to 0.6% in August 2024 from 0.5% in June, falling short of market forecasts of 0.7%. Still, it was the highest figure since February, pointing to the seventh straight month of consumer inflation as Beijing continued its efforts to spur consumption. China reportedly announced about \$51 billion in investments to enhance African electricity networks. This move may enhance industrial demand for copper, particularly as the resource-rich continent works to overcome electrical infrastructure weaknesses. However, China's property and construction industries remain poor, posing a short-term downside risk to industrial metals. Upcoming data releases on China's trade, inflation, and credit for August are expected to provide additional insights into copper demand trends.

Energy

Oil posted its biggest weekly drop in 11 months as a weak U.S. jobs report added to concerns about tepid demand in the world's largest consumer of crude. However, prices received some support in the early trading session today following news of a potential hurricane system approaching the U.S. Gulf Coast. Meanwhile, the Fed's Beige Book showed declining U.S. economic activity. This comes as demand in the second-largest consumer, China, also remains under pressure. China's factory activity contracted for the fourth straight month in August, while weakness in its property sector persists. The selloff was briefly halted by the announcement that OPEC would postpone its production hikes by two months. Instead of raising output by 180kb/d in October, it will start the phase-out of voluntary production cuts in December. However, the completion date for the full return of the 2.2mb/d cut remains unchanged at December 2025. Focus this week will be on US CPI, PPI and Michigan consumer sentiment data.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	783	-1.3%
Aluminium	2180	-1.1%
Nickel	1360	-2.0%
Lead	181	-0.2%
Zinc	254	-1.3%

Inventory		Current	W/W Chg.	Units
Copper	LME	317575	400	MT
	Shanghai	215374	-26371	MT
Aluminum	LME	833425	-3500	MT
	Shanghai	285947	-3973	MT
Nickel	LME	121716	-42	MT
	Shanghai	18143	-204	MT
Lead	LME	177525	175	MT
	Shanghai	30525	4674	MT
Zinc	LME	238375	-900	MT
	Shanghai	84488	-78	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	68.62	0.5%
Natural gas	2.23	0.9%

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	124868	-61659
Natural Gas	-69956	751

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	2490.5	69500	170	16	9	-35.7%	
5.9%	108	72	2094.5	70000	309	3169	1387	-0.1%	
0.0%	1	0	1697.5	70500	473	259	114	56.2%	
44.7%	948	2270	1389.5	71000	653.5	6877	1859	2.0%	
28.1%	219	705	1123.5	71500	919.5	1418	193	-0.5%	
19.4%	3005	7893	855	72000	1193.5	2853	759	7.4%	
-6.2%	61	280	633	72500	1224	1	2	100.0%	
5.9%	1285	4678	464	73000	1892	91	149	7.2%	
0.0%	10	8	342	73500	2266.5	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
362.1%	2417	30111	288.1	5600	97.8	152361	4594	15.9%	
2689.3%	781	9071	251.1	5650	117.1	61115	992	15.2%	
358.1%	7156	112716	218.5	5700	141	249771	6606	59.6%	
682.0%	2784	46243	188.5	5750	164.2	76660	875	-9.5%	
100.0%	15084	285685	160.6	5800	193.6	293426	6528	-5.4%	
180.6%	6511	114098	136.8	5850	223.3	87874	989	-38.2%	
31.2%	19459	272180	114.5	5900	255.2	199588	8701	-20.0%	
27.5%	3848	56970	96	5950	294.8	18670	1365	7.1%	
10.1%	26155	195599	79.7	6000	333	50978	6303	-20.0%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-13.0%	261	119	32.7	160	1.25	11604	7400	2.9%	
-5.2%	570	806	23.85	170	2.65	21393	6250	-7.7%	
-2.5%	6408	15536	16.45	180	5.15	49350	9684	-7.7%	
-3.7%	3110	23158	13.5	185	7	44123	4239	-16.9%	
4.6%	6078	74765	10.85	190	255	66279	5348	0.8%	
72.0%	3712	45301	8.65	195	12.05	21158	751	12.9%	
17.9%	6337	51770	6.7	200	15.05	13980	1520	19.0%	
-0.1%	4032	25694	3.95	210	22.4	1848	220	12.8%	
16.2%	3200	20356	2.25	220	31.25	78	493	-0.2%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Sept	6,084	6,018	6,051	6,083	6,116	6,148	Bearish	Moderate	6035 - 6100
Cocudakl	NCDEX	Sept	3,436	3,380	3,408	3,454	3,482	3,528	Bearish	Moderate	3394 - 3468
Cotton	NCDEX	Sept	59,040	58,940	58,990	59,050	59,100	59,160	Bearish	Moderate	58965 - 59075
Dhaniya	NCDEX	Sept	6,776	6,705	6,741	6,785	6,821	6,865	Bearish	Moderate	6723 - 6803
Jeera	NCDEX	Sept	25,350	24,943	25,147	25,403	25,607	25,863	Bearish	Moderate	25120 - 25580
Guar Seed	NCDEX	Sept	5,333	5,286	5,309	5,342	5,365	5,398	Bearish	Moderate	5298 - 5354
Guar Gum	NCDEX	Sept	10,504	10,371	10,437	10,519	10,585	10,667	Bearish	Moderate	10478 - 10626
Mentha Oil	MCX	Sept	960	943	951.57	957	965	970	Bearish	Moderate	954 - 968
Turmeric	NCDEX	Oct	14,014	13,578	13,796	14,068	14,286	14,558	Flat	Moderate	13687 - 14177

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	71426	70612	71019	71627	72034	72642	Bearish	Moderate	70816 - 71831
Gold Comex	Comex	Sept	2494	2464	2479	2498	2513	2533	Bearish	Moderate	2472 - 2506
Silver	MCX	Dec	82757	80172	81464	83613	84905	87054	Flat	Moderate	80818 - 84259
Silver Comex	Comex	Sept	27.91	26.89	27.40	28.28	28.79	29.66	Bearish	Moderate	27 - 29
Crude	MCX	Sept	5704	5509	5607	5754	5852	5999	Bearish	Moderate	5558 - 5803
Crude Nymex	Nymex	Oct	66.98	64.73	65.86	67.63	68.76	70.53	Bearish	Moderate	65 - 68
Nat Gas	MCX	Sept	191	185	188	191	194	196	Bullish	Moderate	190 - 195
BullDex	MCX	Sept	17731	17511	17621	17816	17926	18121	Bearish	Moderate	17566 - 17871
Copper	MCX	Sept	781.90	771	776	787	792	803	Bearish	Moderate	774 - 789
Zinc	MCX	Sept	253.70	250	252	256	258	262	Bearish	Moderate	251 - 257
Lead	MCX	Sept	181	179	180	181	182	184	Bearish	Moderate	180 - 182
Aluminum	MCX	Sept	217.60	215	216	219	220	223	Bearish	Moderate	216 - 219

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