



Tuesday, September 10, 2024

Overview

- Gold prices remained steady as markets await key data
- Oil prices gained on hurricane worries
- Focus this week will be on US CPI, PPI and Michigan consumer sentiment data

Precious Metals

Gold and Silver prices traded steady after a sharp fall last week, as investors awaited the US inflation for further clues on potential size of Fed's interest rate cut. The dollar index recovered significantly from 13-month low, yesterday it hit a one-week high weighing on bullions. After Governor Powell's speech in Jackson Hole symposium, market participants are certain that Fed could ease rates when it meets next week, pricing in a 70% chance of a 25bps cut versus a 30% chance of a 50-bps reduction, according to the CME Fed-Watch Tool. Last week a report US employment increased less than expected in august but a drop in jobless rate in 4.2% suggested that the job market is not so much in trouble that a 50 bps cut is needed. Last week, Fed official Williams in his comments mentioned that even though inflation has cooled, there could be a debate between a 25bps and a 50 bps cut in September meet. 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	2502.9	-0.1%
Silver	28.27	-0.3%
CFTC data	Speculative Longs	Change WoW
Gold	226590	-10228
Silver	26501	-8781
ETF	Close	%Chg.
GOLD ETF	1962.0	5.32
Silver ETF	26079	-19.87
Others	Close	%Chg.
DXY	101.55	0.1%
US 10Y Yields	3.71	-0.3%

Base Metals

Copper prices edged higher in previous trading session, amid tentative signs of stabilization in Chinese demand. Copper inventories at Shanghai Futures Exchange warehouses have diminished marginally, signaling that physical demand may have stabilized. On the consumption side, with the decline in copper prices, downstream procurement increased, also driven by the upcoming Mid-Autumn Festival holiday, resulting in good consumption performance and significant destocking. Despite some positive cues, the momentum looks gloomy as latest data from China underwhelmed markets. The official manufacturing PMI declined to 49.1 from 49.4 in July. The reading has been below the 50-mark separating growth from contraction for all but three months since April 2023. Along with copper, aluminum prices also rose as demand is gradually shifting towards peak season, with consumption starting to recover slowly, leading to a decline in social inventory. The market eagerly awaits the release of the US CPI data this week, which is a crucial indicator affecting the extent of the Fed's rate cuts.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	791	-1.3%
Aluminium	2210	-1.1%
Nickel	1359	0.0%
Lead	182	0.2%
Zinc	256	-1.3%

Inventory		Current	W/W Chg.	Units
Copper	LME	316450	-1125	MT
	Shanghai	215374	-26371	MT
Aluminum	LME	834850	1425	MT
	Shanghai	285947	-3973	MT
Nickel	LME	121656	-60	MT
	Shanghai	19478	1335	MT
Lead	LME	177000	-525	MT
	Shanghai	30525	4674	MT
Zinc	LME	236550	-1825	MT
	Shanghai	84488	-78	MT

Energy

Oil prices rebounded after dropping to their lowest level in more than a year last week, as traders look ahead to key market reports. On the disruption front, oil producers in the Gulf of Mexico have begun shutting down operations in preparation for Tropical Storm Francine. According to data from the National Hurricane Center, at least 125,000 Bdp of oil production is at risk of being disrupted, providing support for prices. Traders will receive plenty of market insights this week as three prominent forecasters OPEC, EIA, and IEA publish their monthly outlooks. These reports come amid deeply pessimistic market sentiment, with money managers now least bullish on crude in over 13 years. Signs of weakness in the US and Chinese economies have contributed to a bearish tone among investors. Meanwhile, natural gas prices fell sharply due to forecasts for cooler weather in US, expected to reduce natural gas demand from electricity providers, as less air conditioning needed. Weather reports indicate that 6-10 day forecast has turned cooler for Midwest and West, as deepening trough in jet stream expected to keep colder temperatures in place for a longer period.

Energy	Close (\$)	%Chg.
WTI Crude oil	68.64	-0.2%
Natural gas	2.15	-4.8%

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	2101	69500	152.5	2	8	-11.1%
5.6%	114	53	1684	70000	235.5	1844	1480	6.7%
0.0%	1	0	1359	70500	364.5	178	125	9.6%
-6.5%	886	1815	1088.5	71000	549	4088	1964	5.6%
1.8%	223	1138	860.5	71500	786.5	766	284	47.2%
-1.8%	2950	5863	646	72000	1063	768	710	-6.5%
119.7%	134	272	465	72500	1536	4	2	0.0%
4.1%	1338	2223	334	73000	1780.5	30	151	1.3%
60.0%	16	11	228.5	73500	2072.5	0	0	0.0%

MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
8.8%	856	15163	278	5500	36.9	172850	8880	12.1%
116.7%	65	1515	243.4	5550	48.4	57787	1029	137.6%
-27.4%	1755	68332	211.2	5600	60.1	228363	5113	11.3%
-15.4%	661	28166	178.4	5650	75.8	118858	2464	148.4%
-27.2%	5212	299243	152.2	5700	92.6	386881	7962	20.5%
-27.8%	2009	109182	128.4	5750	114.2	114187	1467	67.7%
-13.5%	13050	328822	105.6	5800	137.5	279011	7168	9.8%
-31.3%	4473	88624	85.3	5850	164.5	32660	1008	1.9%
-15.9%	16359	196932	70	5900	193.4	67207	8509	-2.2%

MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
23.4%	322	352	32.1	160	1.8	15953	5896	-20.3%
27.2%	725	4831	23.45	170	4.05	36289	5343	-14.5%
15.3%	7387	46245	15.9	180	7.85	66856	7344	-24.2%
64.1%	5102	61831	12.75	185	10.45	58019	3330	-21.4%
67.2%	10160	85709	10.2	190	255	40737	4168	-22.1%
43.1%	5311	37817	7.95	195	16.95	10548	380	-49.4%
65.6%	10494	50526	6.05	200	20.7	7121	1295	-14.8%
13.5%	4576	23697	3.4	210	29.1	179	213	-3.2%
36.1%	4354	10298	1.95	220	37.3	28	500	1.4%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Sept	6,131	6,054	6,092	6,124	6,162	6,194	Bearish	Moderate	6108 - 6178
Cocudakl	NCDEX	Sept	2,980	2,908	2,944	2,966	3,002	3,024	Bearish	Moderate	2955 - 3013
Cotton	NCDEX	Sept	58,540	58,133	58,337	58,523	58,727	58,913	Bearish	Moderate	58235 - 58625
Dhaniya	NCDEX	Sept	6,886	6,829	6,857	6,899	6,927	6,969	Bearish	Moderate	6843 - 6913
Jeera	NCDEX	Sept	25,100	24,340	24,720	25,030	25,410	25,720	Bearish	Moderate	24875 - 25565
Guar Seed	NCDEX	Sept	5,339	5,269	5,304	5,357	5,392	5,445	Bearish	Moderate	5287 - 5375
Guar Gum	NCDEX	Sept	10,520	10,313	10,417	10,563	10,667	10,813	Bearish	Moderate	10365 - 10615
Mentha Oil	MCX	Sept	953	938	945.67	957	964	976	Bearish	Moderate	942 - 961
Turmeric	NCDEX	Oct	14,194	13,441	13,817	14,119	14,495	14,797	Flat	Moderate	13968 - 14646

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	71628	70912	71270	71485	71843	72058	Bullish	High	71378 - 71951
Gold Comex	Comex	Sept	2502	2486	2494	2499	2507	2513	Bullish	High	2497 - 2510
Silver	MCX	Dec	83645	81710	82677	83219	84186	84728	Strong	Moderate	82948 - 84457
Silver Comex	Comex	Sept	28.39	27.57	27.98	28.20	28.61	28.83	Flat	Moderate	28 - 29
Crude	MCX	Sept	5776	5615	5696	5747	5828	5879	Bearish	Moderate	5722 - 5854
Crude Nymex	Nymex	Oct	67.91	66.02	66.97	67.55	68.50	69.08	Bearish	Moderate	67 - 69
Nat Gas	MCX	Sept	182	177	179	185	188	193	Bearish	Moderate	178 - 186
BullDex	MCX	Sept	17809	17621	17715	17782	17876	17943	Flat	Low	17749 - 17910
Copper	MCX	Sept	790.85	774	782	788	797	803	Flat	Moderate	785 - 800
Zinc	MCX	Sept	255.55	250	253	255	258	260	Bearish	Moderate	254 - 259
Lead	MCX	Sept	182	180	181	181	182	183	Bearish	Moderate	181 - 182
Aluminum	MCX	Sept	220.95	216	218	220	222	224	Flat	Moderate	219 - 223

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