



Thursday, September 19, 2024

Overview

- Fed cut interest rates by 50 bps for the first time in 4 years
- Dollar rebounded on Powell's remarks
- Today, weekly jobless claims and BoE policy will be in focus.

Precious Metals

Gold once again marked an all-time high in the yesterday's session after the Fed cut rates by half a percentage point. Market participants cheered this news as gold and silver rose by more than 1% in an immediate reaction. However, gold gave up those initial gains to end the session lower after Chair Powell signalled policymakers aren't in a rush to aggressively lower interest rates, stating no one should see this as a new pace. This was supported by lower Treasury yields and a firm Dollar index, which is still hovering around 101 mark. Even so, it's unlikely to stop the inflow of investors as the Fed embarks on this rate cutting cycle. There was also no mention about easing off the QT cycle weighing further on sentiment. Labour market and other data points is also important to keep an eye on. A delayed impact in market could be seen. Focus today will be US weekly jobless claims, Philly fed manufacturing index and Existing home sales data.

Precious metals	Close (\$)	%Chg.
Gold	2561.5	0.1%
Silver	30.23	0.5%
CFTC data	Speculative Longs	Change WoW
Gold	226709	119
Silver	27090	589
ETF	Close	%Chg.
GOLD ETF	1990.0	7.45
Silver ETF	25966	0.00
Others	Close	%Chg.
DXY	100.60	0.6%
US 10Y Yields	3.73	1.2%

Base Metals

Base metals ended yesterday's trading session on a lower note, weighed down by a stronger US dollar despite the Federal Reserve delivering a bumper cut of 50 bps that markets had already priced in. The central bank indicated confidence that inflation is moving sustainably toward 2% and moved to prevent a slowdown in the labor market. Dollar rebounded after Powell's remarks stating the central bank is not in a rush to ease policy and that half-percentage point cuts are not the "new pace." He also said that he does not expect the era of ultra-low interest rates to return. Zinc prices gained slightly, driven by optimism for potential stimulus measures in China after President Xi Jinping urged efforts to meet economic targets, fueling expectations for higher demand. On the supply side, Swedish miner Boliden delayed its Odda zinc smelter expansion in Norway, now expected to be completed in 2025, which may tighten future supplies. Global zinc market surplus declined to 14000 metric tons in July from 36400 tons in June, data from ILZSG showed.

Energy

Oil prices traded lower in choppy trading session following a mixed reading on U.S. oil inventories, while an outsized interest rate cut by the Federal Reserve sparked some concerns over a slowing economy. Along with this, a string of weak economic readings from China for August severely dented sentiment towards the country. The lackluster consumption has seen some refineries in Europe reduce processing rates. The poor margins have led to the bankruptcy of two small plants. On EIA inventory front, data showed a bigger-than-expected, 1.63 Mbs draw in inventories. While the draw was much bigger than expectations for a draw of 0.2 mb, it was also accompanied by builds in distillates and gasoline inventories. The builds in product inventories sparked increased concerns that U.S. fuel demand was cooling as the travel-heavy summer season wound to a close. For today, Market participants await EIA natural gas inventory due in the evening.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	809	-0.2%
Aluminium	2310	-0.8%
Nickel	1386	1.8%
Lead	184	0.5%
Zinc	267	-0.9%

Inventory		Current	W/W Chg.	Units
Copper	LME	305250	-1250	MT
	Shanghai	185520	-29854	MT
Aluminum	LME	813500	0	MT
	Shanghai	283773	-2174	MT
Nickel	LME	123726	0	MT
	Shanghai	20477	1390	MT
Lead	LME	204550	-450	MT
	Shanghai	51481	20956	MT
Zinc	LME	251850	4750	MT
	Shanghai	81695	-2793	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	70.10	-1.6%
Natural gas	2.31	-1.8%

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	105024	-19844
Natural Gas	-50645	19311

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	
-1.3%	224	50	2069.5	71000	110.5	3024	1647	-2.3%
0.0%	53	29	1630.5	71500	159	563	486	-3.4%
-13.0%	802	957	1231.5	72000	251.5	4399	2238	1.5%
-1.9%	153	193	888	72500	401.5	1444	454	20.4%
8.3%	1688	8545	612.5	73000	602.5	7268	1351	22.2%
57.7%	886	3391	413	73500	894	274	167	0.0%
30.2%	2388	7054	264.5	74000	1226.5	324	203	5.7%
74.7%	138	409	177	74500	1515.5	0	1	0.0%
57.3%	2530	5581	119.5	75000	2069.5	6	24	33.3%

MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-82.3%	896	17416	342.6	5700	166.4	71440	1615	-76.0%
-63.9%	181	5168	308.6	5750	186.4	16381	366	-88.5%
-11.2%	3964	91403	279.3	5800	208.5	120011	3871	-15.4%
147.6%	916	32113	253.2	5850	233.4	17764	351	-85.1%
612.5%	7018	172992	225.5	5900	260.1	82148	3403	-63.2%
21.1%	1275	38749	202.3	5950	286.7	13422	198	-88.8%
43.7%	6191	139650	177	6000	316.3	32104	2546	-23.6%
-85.7%	478	11475	158.5	6050	348.1	612	52	-96.1%
-69.3%	2656	49124	139.5	6100	380.5	2786	333	-84.2%

MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-1.4%	511	639	26.75	170	0.4	15441	12346	-5.8%
-5.8%	4448	12228	17.4	180	1.3	47240	12459	-13.2%
46.4%	6722	94878	9.5	190	4	130542	8663	-18.0%
95.8%	12523	136746	6.4	195	6.4	116334	6146	12.2%
30.4%	24004	152929	4.1	200	255	79468	5565	-20.3%
32.3%	11018	69097	2.55	205	13.5	23079	1178	-8.3%
6.8%	10839	61278	1.5	210	17.6	10769	542	-52.2%
18.6%	7380	23533	0.55	220	26.8	166	286	-11.7%
-18.1%	2642	4662	0.2	230	34.1	12	239	2.1%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Oct	6,582	6,363	6,472	6,549	6,658	6,735	Bearish	Moderate	6511 - 6697
Cocudakl	NCDEX	Dec	3,047	3,010	3,029	3,053	3,072	3,096	Bearish	Moderate	3020 - 3063
Cotton	NCDEX	Sept	58,280	57,893	58,087	58,393	58,587	58,893	Bearish	Moderate	57990 - 58490
Dhaniya	NCDEX	Oct	7,240	7,177	7,209	7,259	7,291	7,341	Bearish	Moderate	7193 - 7275
Jeera	NCDEX	Sept	26,635	25,638	26,137	26,898	27,397	28,158	Bearish	Moderate	25888 - 27148
Guar Seed	NCDEX	Oct	5,419	5,373	5,396	5,434	5,457	5,495	Bearish	Moderate	5385 - 5446
Guar Gum	NCDEX	Oct	10,688	10,583	10,635	10,713	10,765	10,843	Bearish	Moderate	10609 - 10739
Mentha Oil	MCX	Sept	946	938	941.63	945	949	953	Bearish	Moderate	943 - 951
Turmeric	NCDEX	Oct	14,572	14,237	14,405	14,547	14,715	14,857	Strong	Moderate	14476 - 14786

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	73055	72784	72920	73124	73260	73464	Bearish	High	72852 - 73192
Gold Comex	Comex	Sept	2571	2553	2562	2558	2567	2563	Bullish	High	2560 - 2565
Silver	MCX	Dec	88299	87449	87874	88547	88972	89645	Bearish	Moderate	87662 - 88760
Silver Comex	Comex	Sept	30.40	29.01	29.70	30.50	31.19	31.99	Bearish	Moderate	29 - 31
Crude	MCX	Sept	5840	5707	5774	5835	5902	5963	Flat	Moderate	5741 - 5869
Crude Nymex	Nymex	Oct	69.88	67.86	68.87	69.59	70.60	71.32	Flat	Moderate	68 - 70
Nat Gas	MCX	Sept	193	186	190	194	198	203	Bearish	Moderate	188 - 196
BullDex	MCX	Sept	18321	18250	18286	18335	18371	18420	Bearish	Moderate	18268 - 18353
Copper	MCX	Sept	808.95	798	804	808	813	817	Bullish	High	806 - 815
Zinc	MCX	Sept	266.55	262	264	266	269	271	Bearish	Moderate	263 - 267
Lead	MCX	Sept	184	181	183	184	185	186	Bearish	Moderate	183 - 186
Aluminum	MCX	Sept	230.75	226	228	230	233	234	Bullish	High	229 - 233

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