



Friday, September 27, 2024

Overview

- China cuts RRR by 50 bps to spur economic growth
- Oil prices fall on prospects of oversupply
- The US economy grew at 3% annualized pace
- Today, US Core PCE Price Index will be in focus.

Precious Metals

Silver prices have bubbled up to their highest in over a decade on the back of bullion's stellar bull run and China's stimulus measures. China's central bank unveiled its biggest stimulus this week since the COVID 19 pandemic with an objective to support their economy further. Bullion prices have risen more than 29% so far this year, smashing record highs several times on U.S. rate-cut hopes, safe-haven demand and robust central bank buying. Data in yesterday's session showed that U.S. weekly jobless claims fell by 4,000 to a four-month low of 218,000, below the 225,000. On other hand, The US economy grew at 3% annualized pace in Q2, a faster rate than the previous quarter, the core durables goods orders data was also reported better than expectations at 0.5% v/s 0.1%, weighing on Gold and Silver prices. Market participants are expecting that the Fed will cut rates by 75bps by the end of this year, supporting sentiment further for Gold and Silver prices. Investor demand is also being supported by heightened geopolitical tension driving demand for haven assets. Israel's prime minister, Benjamin Netanyahu, pledged to keep up attacks on Hezbollah, spurning a ceasefire proposed by the US and its allies. Focus today will be on US PCE price index data.

Precious metals	Close (\$)	%Chg.
Gold	2673.2	0.1%
Silver	31.91	-0.4%
CFTC data	Speculative Longs	Change WoW
Gold	252628	25919
Silver	42312	15222
ETF	Close	%Chg.
GOLD ETF	1985.7	-5.82
Silver ETF	26116	28.02
Others	Close	%Chg.
DXY	100.52	0.1%
US 10Y Yields	3.79	0.2%

Base Metals

Base metal prices rose higher after top importer China unveiled more monetary stimulus measures aimed at supporting growth. The central bank also lowered banks' reserve requirement ratio by 50 bps, the second reduction this year which is expected to free up 1 trillion yuan in capital. Markets now await more policy support signals from Beijing on the fiscal side, which investors deem necessary for a more sustainable economic recovery. Tightening supply and increased demand ahead of China's national holiday in the first week of October have also pushed up prices. The People's Bank of China reduced its one-year medium-term loan facility rate by 30 basis points, to 2%. This came a day after PBOC Governor Pan Gongsheng revealed plans to reduce the reserve requirement ratio by 50 basis points by the end of the year, as well as key lending rates such the seven-day repo rate, medium-term lending facility, and loan prime rates. These moves came after the US Federal Reserve launched its easing campaign with a major 50 basis point rate cut earlier this month, which boosted the global economic outlook. Today, US Core PCE Price Index will be in focus.

Energy

Crude oil prices settled lower on fears of rising supply after ease of supply disruption risk in Libya, which was hanging over the oil market for several weeks as a dispute over control of the central bank led to eastern administration forcing closure of oil facilities. Currently, supply looks likely to pick up after representatives from Libya's rival eastern and western administrations signed an agreement to name Naji Issa as new governor of Libya's central bank. That could see more than 500kb/d return to market in coming days. Prices came under further pressure after reports of Saudi Arabia considering going ahead with its planned production hikes in Dec. The report also suggested that Saudi was ready to abandon its USD100/bbl target to take back market share. Such move would raise concerns that OPEC could pull back from supply agreements that have helped stabilize oil market and support prices. For natural gas, prices gave up an early advance and turned lower on forecasts for seasonal US temperatures, which should reduce gas demand from electricity providers to run air conditioning. Markets shrugged off positive inventory data, which showed smaller-than-expected build of 47 Bcf against expectations for build of 52 Bcf.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	845	1.0%
Aluminium	2340	-0.2%
Nickel	1404	-0.1%
Lead	182	0.9%
Zinc	287	3.6%

Inventory		Current	W/W Chg.	Units
Copper	LME	303050	-300	MT
	Shanghai	164938	-20582	MT
Aluminum	LME	798025	-2500	MT
	Shanghai	286495	2722	MT
Nickel	LME	130080	5676	MT
	Shanghai	22270	1420	MT
Lead	LME	201975	-175	MT
	Shanghai	61004	9523	MT
Zinc	LME	255050	-175	MT
	Shanghai	85612	3917	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	67.51	0.0%
Natural gas	2.75	-2.0%

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	133225	28201
Natural Gas	-37964	12681

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		
4.6%	386	150	2662	73000	192	2524	1683	10.9%	
0.0%	3	2	2245	73500	293.5	61	57	78.1%	
-7.8%	687	941	1995.5	74000	404.5	4043	1839	-0.1%	
-20.0%	36	94	1645.5	74500	554.5	308	105	26.5%	
-10.4%	1387	3891	1424	75000	763.5	4621	1414	20.1%	
54.7%	82	535	1207	75500	1020	224	42	950.0%	
11.8%	1443	4506	988.5	76000	1284	936	233	86.4%	
2314.3%	169	401	796	76500	1251.5	0	0	0.0%	
32.2%	1524	4517	655.5	77000	1946	25	13	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
250.0%	7	14	479.8	5450	117.9	28356	545	9.0%	
434.2%	1063	11964	412	5500	134.8	146769	4685	52.1%	
650.0%	45	561	450.5	5550	153.9	39642	727	36.9%	
333.5%	2293	52896	333.3	5600	176.2	180585	3114	36.1%	
3985.7%	572	19458	298.9	5650	199.2	69664	1219	28.0%	
559.9%	8486	203959	268.2	5700	226.2	254724	5086	65.3%	
845.3%	2420	65735	239.1	5750	250.4	58608	2063	1.7%	
152.5%	12379	207877	211.8	5800	280.5	147907	4548	-12.0%	
69.0%	3785	60915	189.2	5850	311.1	22393	2038	-1.2%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-9.0%	122	33	48.6	190	2.1	7398	2028	-21.9%	
-12.4%	396	334	39.15	200	3.7	17952	5788	-21.5%	
-8.3%	297	556	31.4	210	6.15	17164	2666	-34.4%	
-33.7%	118	315	27.9	215	7.8	12923	627	-59.3%	
3.8%	1118	4916	24.5	220	255	32730	3871	-0.3%	
123.8%	470	6848	21.4	225	11.9	16122	688	-23.5%	
59.2%	2511	25971	18.6	230	14.4	42346	3109	-19.5%	
46.3%	5083	48452	13.7	240	20.35	35550	3014	19.7%	
33.5%	6324	36438	9.95	250	27.2	4846	424	-8.6%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Oct	6,778	6,661	6,719	6,775	6,833	6,889	Bearish	High	6690 - 6804
Cocudakl	NCDEX	Dec	3,030	3,003	3,017	3,033	3,047	3,063	Bearish	Moderate	3010 - 3040
Cotton	NCDEX	Nov	58,490	58,070	58,280	58,440	58,650	58,810	Bearish	Moderate	58360 - 58730
Dhaniya	NCDEX	Oct	7,356	7,285	7,321	7,355	7,391	7,425	Bearish	Moderate	7338 - 7408
Jeera	NCDEX	Oct	26,990	26,597	26,793	27,037	27,233	27,477	Bearish	Moderate	26695 - 27135
Guar Seed	NCDEX	Oct	5,695	5,570	5,632	5,685	5,747	5,800	Bearish	Moderate	5601 - 5716
Guar Gum	NCDEX	Oct	11,334	11,034	11,184	11,302	11,452	11,570	Bearish	Moderate	11109 - 11377
Mentha Oil	MCX	Oct	934	926	930.27	936	940	945	Bearish	Moderate	928 - 938
Turmeric	NCDEX	Oct	14,542	14,153	14,347	14,563	14,757	14,973	Strong	Low	14250 - 14660

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	75387	74850	75118	75421	75689	75992	Bullish	Moderate	75270 - 75841
Gold Comex	Comex	Sept	2670	2663	2666	2664	2668	2666	Bullish	Moderate	2665 - 2667
Silver	MCX	Dec	92664	90725	91695	92916	93886	95107	Bullish	Moderate	92306 - 94497
Silver Comex	Comex	Oct	32.04	31.25	31.65	32.18	32.58	33.11	Bullish	High	32 - 33
Crude	MCX	Oct	5663	5482	5573	5717	5808	5952	Bearish	Moderate	5528 - 5763
Crude Nymex	Nymex	Nov	67.19	64.74	65.96	67.72	68.94	70.70	Bearish	Moderate	65 - 68
Nat Gas	MCX	Sept	230	221	226	234	238	246	Bullish	Low	224 - 236
BullDex	MCX	Sept	19011	18794	18902	19006	19114	19218	Bullish	Low	18954 - 19166
Copper	MCX	Sept	844.55	821	833	842	854	864	Bullish	High	837 - 859
Zinc	MCX	Sept	283.80	274	279	282	287	289	Bullish	Moderate	280 - 288
Lead	MCX	Sept	182	182	182	182	182	182	Flat	Moderate	182 - 182
Aluminum	MCX	Sept	233.80	229	231	234	236	239	Bullish	High	233 - 237

Navneet Damani

Head Research- Currencies and Commodities

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemang Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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