



Monday, September 16, 2024

## Overview

- China Industrial Output growth at 5-month low
- Gold on Comex hit record highs again
- This week Fed meeting will be in focus.

## Precious Metals

Gold prices on Comex hit a record high hovering around \$2600, buoyed by persistent speculation that the Federal Reserve will cut interest rates in the coming week, while increased safe haven demand in the face of a tight U.S. presidential election also helped. Bullions were supported tracking declines in the dollar and Treasury yields as markets maintained bets on an interest rate cut despite some stronger inflation data. Ease off in the labour market is also one the reasons why the Fed could consider a rate cut in this week's policy meeting. Governor Powell and a few fed officials in the comments did mention that inflation is slowly inching towards their target of 2%, however labour market is easing which could increase the risk for overall economic growth. Last week after jobless claims data, 50 bps reduction come back into play. Traders were seen pricing in a 59% chance for a 50 bps cut and a 41% chance for a 25 bps cut, according to CME Fed-Watch. Along with inflow in SDPR holdings, net longs also increased last week by 3k supporting the overall sentiment. Along with Fed interest rate decision, focus this week, will also be on US Retail sales and IIP data. Gold on domestic front is expected to trade within a range of ₹73,000 – 74,000.

Precious metals	Close (\$)	%Chg.
Gold	2585.6	0.4%
Silver	30.96	1.0%
CFTC data	Speculative Longs	Change WoW
Gold	226709	119
Silver	27090	589
ETF	Close	%Chg.
GOLD ETF	1980.5	0.00
Silver ETF	26190	42.26
Others	Close	%Chg.
DXY	101.11	-0.1%
US 10Y Yields	3.66	-0.8%

## Base Metals

Base Metals complex rise on rate cut hope in the U.S by the Federal Reserve Bank and the increased pre-holiday stocking demand domestically. In July, Chile's state miner Codelco produced 111,400 metric tons of copper, a 10.7% decrease from the previous year. However, the BHP-controlled Escondido mine grew output by 29% to 106,500 tons, while the Collahuasi mine, which is jointly operated by Glencore and Anglo-American, experienced a 6% reduction to 47,000 tons. Aluminum prices have also gained recently, LME aluminium inventories fell by 22% in the last three months, reaching 820850 tons, the lowest level since May. Meanwhile, aluminium inventories tracked by the Shanghai Futures Exchange decreased by almost 2%, indicating a tightening supply. This week's Fed meeting will be important as markets participants expect a cut from the bank and a higher than expected quantum of cuts will result in dollar weakness and bode well for metals.

## Energy

Oil prices remained steady in the morning session, benefiting from a softer dollar as traders positioned for an interest rate cut by the Federal Reserve later this week. Disruption risks eased as producers resumed output after Storm Francine passed. Despite this, prices posted their first weekly gain in a month, as the disruptions and risk-on sentiment in broader markets helped ease a previously oversold market. The U.S. Federal Reserve is widely expected to start cutting interest rates at its meeting next week, following signs of a labor market slowdown. Traders are increasingly betting that policymakers will opt for a 50-basis-point reduction. Lower borrowing costs may support growth and boost energy demand. Meanwhile, market holidays in China and Japan kept trading volumes relatively light. In China, the world's top oil importer, industrial output growth slowed to a five-month low in August, while retail sales and new home prices weakened further. Oil refinery output also fell for a fifth month, as disappointing fuel demand and weak export margins curbed production. Meanwhile, the dollar remained steady after Republican presidential candidate Donald Trump was safe following what the FBI said appeared to be a second assassination attempt outside his golf course in Florida. Along with Fed interest rate decision, focus this week, will also be on US Retail sales and U.S. Industrial production.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	802	0.8%
Aluminium	2290	0.9%
Nickel	1380	2.4%
Lead	185	0.2%
Zinc	268	1.9%

Inventory		Current	W/W Chg.	Units
Copper	LME	311525	-125	MT
	Shanghai	185520	-29854	MT
Aluminum	LME	820850	-3500	MT
	Shanghai	283773	-2174	MT
Nickel	LME	123360	228	MT
	Shanghai	19087	-30	MT
Lead	LME	174775	0	MT
	Shanghai	51481	20956	MT
Zinc	LME	229300	-3125	MT
	Shanghai	81695	-2793	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	68.89	-0.5%
Natural gas	2.30	-2.3%

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	
-24.3%	258	381	1825	71000	84	4164	2028	-14.1%
-12.7%	62	110	1422.5	71500	130.5	1654	623	-14.3%
-31.6%	1215	3260	1096	72000	212	7599	2306	27.3%
-16.4%	178	531	802.5	72500	327	1335	316	81.6%
0.1%	1530	9845	562	<b>73000</b>	510	6176	1002	201.8%
279.4%	129	1219	368	73500	758.5	127	39	0.0%
34.4%	1408	9067	243	74000	1061	338	119	891.7%
1200.0%	65	301	164	74500	1359	0	0	0.0%
27.3%	965	4695	97	75000	1665.5	2	0	-100.0%

## MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-14.1%	1943	4834	325.8	5500	8.7	76318	7437	-26.3%
-61.6%	163	1479	276.8	5550	14.8	21254	1703	-33.1%
-11.1%	4422	27520	233.2	5600	18.9	155966	7601	-19.8%
-30.3%	707	21124	194.7	5650	30.1	83960	2309	-29.2%
-0.3%	8486	145305	156.8	<b>5700</b>	43	375950	11797	-1.8%
75.0%	2525	106605	127.5	5750	66.3	240027	2904	30.3%
42.3%	13789	470972	98.1	5800	92.1	587341	7238	8.9%
102.5%	7190	264592	75.8	5850	122.1	233641	964	3.1%
44.9%	17445	448702	54.6	5900	156.7	363796	4660	24.1%

## MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-1.6%	571	180	30.8	170	1	17557	11927	-5.1%
-7.8%	5185	6182	21.8	180	2.35	27661	12818	-10.8%
5.7%	5811	40398	14.1	190	5.45	64428	6769	-35.7%
12.7%	5288	47075	10.9	195	7.85	61377	2331	-55.2%
88.9%	14170	111632	8.1	<b>200</b>	255	82942	4274	-16.2%
81.7%	4247	46648	5.9	205	14.3	17663	335	-41.6%
45.9%	6931	59936	4.05	210	18.2	13180	445	-20.4%
62.7%	4845	30263	1.95	220	27.1	478	514	3.4%
1.3%	2120	13056	0.95	230	32.3	50	212	0.0%

## Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
<b>Castor Seed</b>	NCDEX	Oct	6,265	6,145	6,205	6,242	6,302	6,339	Bearish	Moderate	6224 - 6321
<b>Cocudakl</b>	NCDEX	Dec	3,070	3,041	3,055	3,068	3,082	3,095	Bearish	Moderate	3048 - 3075
<b>Cotton</b>	NCDEX	Sept	58,600	58,600	58,600	58,600	58,600	58,600	Bearish	Moderate	58600 - 58600
<b>Dhaniya</b>	NCDEX	Oct	7,074	6,775	6,925	7,045	7,195	7,315	Bearish	Moderate	6985 - 7255
<b>Jeera</b>	NCDEX	Sept	25,330	25,053	25,192	25,343	25,482	25,633	Bearish	Moderate	25123 - 25413
<b>Guar Seed</b>	NCDEX	Oct	5,504	5,381	5,443	5,476	5,538	5,571	Bearish	Moderate	5460 - 5555
<b>Guar Gum</b>	NCDEX	Oct	10,877	10,538	10,708	10,801	10,971	11,064	Bearish	Moderate	10755 - 11018
<b>Mentha Oil</b>	MCX	Sept	954	947	950.23	954	957	961	Flat	Moderate	949 - 956
<b>Turmeric</b>	NCDEX	Oct	14,144	13,217	13,681	13,947	14,411	14,677	Strong	Moderate	13814 - 14544

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
<b>Gold</b>	MCX	Oct	73515	72871	73193	73403	73725	73935	Bullish	Moderate	73298 - 73830
<b>Gold Comex</b>	Comex	Sept	2581	2559	2570	2576	2587	2593	Bullish	High	2573 - 2590
<b>Silver</b>	MCX	Dec	89180	86313	87746	88786	90219	91259	Bullish	High	88266 - 90739
<b>Silver Comex</b>	Comex	Sept	30.77	29.48	30.13	30.54	31.19	31.60	Bullish	High	30 - 31
<b>Crude</b>	MCX	Sept	5770	5656	5713	5809	5866	5962	Flat	Moderate	5685 - 5838
<b>Crude Nymex</b>	Nymex	Oct	67.75	66.46	67.10	68.23	68.87	70.00	Flat	Moderate	67 - 69
<b>Nat Gas</b>	MCX	Sept	194	187	191	196	200	206	Bullish	Moderate	189 - 198
<b>BullDex</b>	MCX	Sept	18434	18153	18293	18372	18512	18591	Bullish	High	18333 - 18552
<b>Copper</b>	MCX	Sept	802.20	794	798	802	806	810	Strong	Moderate	796 - 804
<b>Zinc</b>	MCX	Sept	267.90	261	264	267	270	272	Bullish	High	265 - 271
<b>Lead</b>	MCX	Sept	185	183	184	185	186	187	Strong	Moderate	184 - 187
<b>Aluminum</b>	MCX	Sept	228.80	224	226	228	230	232	Bullish	High	227 - 231

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