



Tuesday, September 17, 2024

Overview

- Central Bank decisions in focus this week
- Gold prices steady near record highs amidst dollar weakness
- Today, US retail sales and industrial production will be in focus.

Precious Metals

Gold prices continue to trade near its record high amid growing bets that the Federal Reserve will cut interest rates by a bigger margin later this week. Reports of a second assassination attempt on Republican presidential nominee Donald Trump also spurred some demand for safe havens, although Trump appeared to be unharmed, and the assailant apprehended. A softer dollar, hovering near two-week low, allowed for more strength in gold prices, as markets awaited a Fed meeting. The central bank is widely expected to cut interest rates, although markets are split between a 25 or 50 basis point cut. Along with rate cut expectations it also will be important to be watchful of the comments that Governor Powell make regarding inflation, labour market and overall pace of the interest rate cuts ahead CME Fed watch showed markets split exactly 50% over the two options, with bets on a bigger cut coming back into play on concerns over weakness in the labor market. Focus today will be on US retail sales and index of Industrial production. Gold on domestic front is expected to trade within a range of ₹73,000 – 74,000.

Precious metals	Close (\$)	%Chg.
Gold	2581.7	0.0%
Silver	30.80	0.1%
CFTC data	Speculative Longs	Change WoW
Gold	226709	119
Silver	27090	589
ETF	Close	%Chg.
GOLD ETF	1981.1	0.56
Silver ETF	26017	-173.42
Others	Close	%Chg.
DXY	100.76	-0.1%
US 10Y Yields	3.62	-0.8%

Base Metals

Copper prices jumped on increasing likelihood of economic stimulus in China. Chinese President Xi Jinping underlined the importance of meeting the country's yearly economic targets, fueling confidence about rising demand for copper. Copper inventory in Shanghai Futures Exchange warehouses decreased 13.9% from last week, marking a 45% drop in the past three months to 185,520 tons, the lowest since February. The import discount for copper in China has also turned to a premium, hitting \$65 per ton, signaling increased demand. Furthermore, the tight supply of copper ore for smelters remains unresolved, and the demand for externally purchased copper anodes has not decreased. Aluminum prices surged to their highest level in three weeks, helped by a lower US dollar and hopes that the Federal Reserve may decrease interest rates this week. Markets predict a 25-bps cut on Wednesday, with speculation that the Fed may go much farther, cutting by 50 basis points. This would boost economic growth and raise demand for metals, while also placing downward pressure on the dollar.

Energy

Oil jumped as Libyan exports continued to slump and expectations rose that the Federal Reserve will be more aggressive in cutting rates this week. Libyan exports have declined markedly as United Nations-led talks failed to break an impasse over control of the central bank, which has spilled over into its oil industry. Focus is also on the Fed and continued disruption of US Gulf of Mexico production after last week's storm. The Federal Reserve expected to lower interest rates for the first time in more than four years this week, with some traders and economists preparing for a half-point reduction. The moves come against the backdrop of record negative positioning. With speculative positions in Brent turning net-short for the first time, trend-following funds are near their most bearish levels in the oil market. The market is also tracking Typhoon Bebinca, which made landfall near Shanghai. It is the strongest storm to hit China's financial capital and major shipping hub since 1949. Natural gas prices rallied on forecasts for warm US temperatures that will boost gas demand from electricity providers to run air conditioning. Forecast indicate that warmer-than-normal temperatures expected across most of the US from September 22-29, supporting prices.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	809	0.4%
Aluminium	2320	1.7%
Nickel	1371	-0.7%
Lead	184	-0.5%
Zinc	270	1.3%

Inventory		Current	W/W Chg.	Units
Copper	LME	308550	-2975	MT
	Shanghai	185520	-29854	MT
Aluminum	LME	817350	-3500	MT
	Shanghai	283773	-2174	MT
Nickel	LME	123810	450	MT
	Shanghai	19087	-30	MT
Lead	LME	174775	0	MT
	Shanghai	51481	20956	MT
Zinc	LME	234150	4850	MT
	Shanghai	81695	-2793	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	70.49	0.0%
Natural gas	2.41	2.9%

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	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		
-8.1%	237	113	2407.5	71000	90.5	1914	1877	-7.4%	
-8.1%	57	13	1938	71500	115	745	674	8.2%	
-15.2%	1030	797	1538.5	72000	188	4438	2539	10.1%	
-1.7%	175	84	1156	72500	279.5	823	346	9.5%	
-2.1%	1498	3253	849.5	73000	444	7104	1219	21.7%	
110.9%	272	1555	601	73500	680.5	1339	174	346.2%	
14.2%	1608	9796	417	74000	950	585	190	59.7%	
21.5%	79	259	292	74500	1181	2	1	0.0%	
14.4%	1104	3930	209.5	75000	1715.5	34	20	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-1.2%	4371	30997	186.8	5600	1.9	128071	8745	15.1%	
-52.9%	333	24902	150.6	5650	4.3	83019	3542	53.4%	
-9.7%	7665	190518	112.7	5700	4.8	448839	13677	15.9%	
-65.9%	862	168484	87.2	5750	11	350206	5773	98.8%	
-32.3%	9340	750849	62.8	5800	19.3	885290	14414	99.1%	
-56.6%	3118	440688	43.1	5850	30.8	451757	3936	308.3%	
-26.6%	12799	805690	27.7	5900	52.2	607558	7001	50.2%	
6.1%	5628	285979	18.8	5950	84.9	111814	1263	0.6%	
-2.1%	19787	401269	11.9	6000	123.1	147269	4587	3.8%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-6.3%	535	870	24.6	170	0.5	17379	13136	10.1%	
-2.1%	5074	15274	15.9	180	1.05	45922	13864	8.2%	
-12.4%	5090	87711	9.25	190	2.75	100715	12090	78.6%	
7.2%	5669	103615	6.7	195	4.3	81248	6347	172.3%	
-14.6%	12095	130246	4.7	200	255	66246	4861	13.7%	
-7.2%	3942	54604	3.2	205	9.55	17333	683	103.9%	
0.7%	6981	54695	2.1	210	13.1	9518	929	108.8%	
-3.2%	4692	23559	0.95	220	21.9	193	545	6.0%	
3.8%	2200	7530	0.45	230	31.15	29	209	-1.4%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Oct	6,406	6,233	6,319	6,375	6,461	6,517	Bearish	Moderate	6347 - 6489
Cocudakl	NCDEX	Dec	3,036	2,983	3,010	3,053	3,080	3,123	Bearish	Moderate	2997 - 3067
Cotton	NCDEX	Sept	58,570	58,217	58,393	58,587	58,763	58,957	Bearish	Moderate	58490 - 58860
Dhaniya	NCDEX	Oct	7,306	6,958	7,132	7,230	7,404	7,502	Bearish	Moderate	7181 - 7453
Jeera	NCDEX	Sept	26,290	24,677	25,483	25,912	26,718	27,147	Bearish	Moderate	25698 - 26933
Guar Seed	NCDEX	Oct	5,517	5,409	5,463	5,494	5,548	5,579	Bearish	Moderate	5436 - 5521
Guar Gum	NCDEX	Oct	10,915	10,678	10,796	10,868	10,986	11,058	Bearish	Moderate	10832 - 11022
Mentha Oil	MCX	Sept	944	935	939.73	947	951	958	Bearish	Moderate	938 - 949
Turmeric	NCDEX	Oct	14,426	13,817	14,121	14,361	14,665	14,905	Strong	Moderate	14241 - 14785

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	73496	73157	73326	73540	73709	73923	Bullish	Low	73242 - 73625
Gold Comex	Comex	Sept	2581	2559	2570	2576	2587	2593	Bullish	High	2573 - 2590
Silver	MCX	Dec	89609	88399	89004	89702	90307	91005	Bullish	High	88702 - 90005
Silver Comex	Comex	Sept	30.83	30.44	30.63	30.87	31.07	31.31	Bullish	High	31 - 31
Crude	MCX	Sept	5887	5694	5790	5862	5958	6030	Flat	Moderate	5826 - 5994
Crude Nymex	Nymex	Oct	69.02	66.87	67.94	68.78	69.85	70.69	Flat	Moderate	68 - 70
Nat Gas	MCX	Sept	199	186	193	197	204	208	Bullish	High	195 - 206
BullDex	MCX	Sept	18432	18274	18353	18447	18526	18620	Bullish	Moderate	18314 - 18487
Copper	MCX	Sept	809.30	791	800	807	816	823	Bullish	High	804 - 820
Zinc	MCX	Sept	270.00	264	267	269	272	274	Bullish	High	268 - 273
Lead	MCX	Sept	184	182	183	185	186	187	Flat	Moderate	183 - 185
Aluminum	MCX	Sept	231.80	228	230	231	233	235	Bullish	High	230 - 234

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