



Wednesday, September 18, 2024

Overview

- Dollar eases ahead of Fed rate decision tonight
- Oil prices fell on higher US stockpiles
- Today, US Fed Interest rate decision will be important.

Precious Metals

Gold prices fell slightly in the early morning trade, but remained close to record highs amid growing conviction that the Federal reserve will cut interest rates by a wide margin this week. The Fed will deliver its interest rate decision at the conclusion of its meeting later in the day, with Chair Jerome Powell holding a press conference afterward. The last Fed rate cut was in March 2020 during the COVID-19 pandemic. In the earlier week, US CPI and PPI were reported slightly mixed with yearly data on lower side, while Core data was seen a bit higher. However, Governor Powell and other Fed officials have raised concerns regarding the labour market keeping the talks rate cut on table. Markets are currently pricing in a 64% probability of a 50 bps easing at the conclusion of the two-day meeting, against 43% on Friday. Data released showed that U.S. retail sales unexpectedly rose 0.1% in August, suggesting that the economy remained on solid footing through much of the third quarter. On data front, focus today will be on housing numbers from US and CPI data from UK and EU. Gold on domestic front is expected to trade within a range of ₹72,500 – 73,500.

Precious metals	Close (\$)	%Chg.
Gold	2573.3	0.1%
Silver	30.49	-0.8%
CFTC data	Speculative Longs	Change WoW
Gold	226709	119
Silver	27090	589
ETF	Close	%Chg.
GOLD ETF	1982.6	1.48
Silver ETF	25966	-50.90
Others	Close	%Chg.
DXY	100.89	-0.1%
US 10Y Yields	3.65	0.6%

Base Metals

Copper prices inched lower from two-month high on China's latest disappointing set of economic statistics, which included weak industrial production and fixed asset investment numbers. Losses may be limited by prospects for additional government intervention to support the economy following the bad report, and there are some signs of recovery in the physical market, with inventories at the Shanghai Exchange warehouse declining last week. Zinc and lead prices came under pressure following a sharp rise in inventories in warehouses monitored by the LME. Data showed U.S. retail sales increased by 0.1%. It outperformed the prediction of a 0.2% fall, implying that the US economy is on solid ground, making the half-percentage-point interest rate cut that financial markets expect less likely to occur. China markets remain shut yesterday and today as well on Mid-Autumn holiday. Markets predict a 25-bps cut, 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.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	808	0.9%
Aluminium	2300	1.3%
Nickel	1361	-0.7%
Lead	183	-0.8%
Zinc	268	0.8%

Inventory		Current	W/W Chg.	Units
Copper	LME	306500	-2050	MT
	Shanghai	185520	-29854	MT
Aluminum	LME	813500	-3850	MT
	Shanghai	283773	-2174	MT
Nickel	LME	123726	-84	MT
	Shanghai	19087	-30	MT
Lead	LME	205000	30225	MT
	Shanghai	51481	20956	MT
Zinc	LME	247100	12950	MT
	Shanghai	81695	-2793	MT

Energy

Oil prices extended gains recently as the market eyed US output concerns in the aftermath of Hurricane Francine and lower crude stockpiles. The ongoing impact of Hurricane Francine, which halted more than 12% of crude production and 16% of natural gas output in US Gulf of Mexico, has significantly affected the market. An escalation in Middle East tensions also helped spur some demand for crude, as Hezbollah vowed retaliation against Israel after accusing it of detonating pagers across Lebanon this week. Prices however got some pressure after Data from API showed U.S. oil inventories saw an unexpected build. Inventories grew by 1.96 million barrels, compared to expectations for draw of 0.1 mb and a 2.79 mb draw from prior week. The reading comes after official data last week showed a build in U.S. inventories, indicating that demand in the world's biggest fuel consumer was cooling with end of the travel-heavy summer season. Markets were also on edge before conclusion of a two-day Fed meeting later in the day, where central bank is widely expected to cut interest rates for first time in over four years. Markets are split between expectations for a 25 or 50 basis point reduction. For today, market participants await data from EIA inventory due in evening.

Energy	Close (\$)	%Chg.
WTI Crude oil	70.84	-0.5%
Natural gas	2.32	-2.1%

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		
-4.2%	227	158	2454	71000	86	2282	1686	-10.2%	
-7.0%	53	66	2056	71500	127.5	920	503	-25.4%	
-10.5%	922	1608	1570	72000	234.5	6569	2204	-13.2%	
-10.9%	156	221	1178.5	72500	379	2801	377	9.0%	
4.1%	1559	9690	845	73000	598.5	12551	1106	-9.3%	
106.6%	562	4413	598	73500	904	833	167	-4.0%	
14.1%	1834	10469	393	74000	1227.5	654	192	1.1%	
0.0%	79	583	272.5	74500	1542.5	0	1	0.0%	
45.7%	1608	5051	186	75000	2052.5	14	18	-10.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-33.9%	5070	25644	185.6	5700	0.1	82593	6728	-50.8%	
-41.9%	501	19117	144.6	5750	0.1	75948	3183	-44.9%	
-52.2%	4465	151699	102.3	5800	0.1	236641	4578	-68.2%	
-88.1%	370	159469	65.5	5850	0.1	251793	2356	-40.1%	
-92.3%	985	497335	37.4	5900	0.4	457109	9239	32.0%	
-81.3%	1053	364022	21.5	5950	0.7	211578	1763	39.6%	
-78.2%	4309	495171	9.9	6000	9.6	320502	3331	-27.4%	
-7.7%	3341	126134	5.1	6050	57.5	37549	1344	-25.5%	
-35.7%	8646	81275	4	6100	109.5	33795	2114	0.7%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-3.2%	518	360	29.55	170	0.45	12861	13111	-0.2%	
-6.9%	4722	5193	20.2	180	1.1	28599	14348	3.5%	
-9.8%	4593	49404	11.9	190	3.05	91373	10559	-12.7%	
12.8%	6395	77977	8.55	195	4.9	107606	5478	-13.7%	
52.1%	18402	189783	5.8	200	255	169779	6983	43.7%	
111.3%	8329	108018	3.85	205	11.05	59854	1284	88.0%	
45.3%	10146	102823	2.45	210	15.05	38056	1133	22.0%	
32.7%	6225	40157	0.9	220	23.75	3247	324	-40.6%	
46.5%	3224	11563	0.45	230	31.6	165	234	12.0%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Oct	6,471	6,302	6,387	6,436	6,521	6,570	Bearish	Moderate	6412 - 6546
Cocudakl	NCDEX	Dec	3,056	3,004	3,030	3,052	3,078	3,100	Bearish	Moderate	3041 - 3089
Cotton	NCDEX	Sept	58,670	57,857	58,263	58,607	59,013	59,357	Bearish	Moderate	58060 - 58810
Dhaniya	NCDEX	Oct	7,264	7,139	7,201	7,287	7,349	7,435	Bearish	Moderate	7170 - 7318
Jeera	NCDEX	Sept	26,600	25,067	25,833	26,507	27,273	27,947	Bearish	Moderate	26170 - 27610
Guar Seed	NCDEX	Oct	5,473	5,412	5,443	5,495	5,526	5,578	Bearish	Moderate	5428 - 5511
Guar Gum	NCDEX	Oct	10,809	10,662	10,735	10,855	10,928	11,048	Bearish	Moderate	10699 - 10892
Mentha Oil	MCX	Sept	943	937	940.00	943	946	949	Bearish	Moderate	942 - 947
Turmeric	NCDEX	Oct	14,426	14,222	14,324	14,462	14,564	14,702	Strong	Moderate	14273 - 14513

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Oct	73094	72550	72822	73210	73482	73870	Bullish	Low	72686 - 73346
Gold Comex	Comex	Sept	2564	2567	2566	2574	2572	2581	Bullish	Moderate	2566 - 2573
Silver	MCX	Dec	89140	88271	88705	89312	89746	90353	Bullish	Moderate	88488 - 89529
Silver Comex	Comex	Sept	30.68	30.48	30.58	30.79	30.89	31.09	Bullish	Moderate	31 - 31
Crude	MCX	Sept	5902	5602	5752	5845	5995	6088	Flat	Moderate	5799 - 6042
Crude Nymex	Nymex	Oct	69.96	67.57	68.76	69.71	70.90	71.85	Flat	Moderate	69 - 71
Nat Gas	MCX	Sept	197	190	193	199	202	207	Bullish	Moderate	192 - 200
BullDex	MCX	Sept	18327	18242	18285	18362	18405	18482	Bullish	Moderate	18264 - 18384
Copper	MCX	Sept	807.95	801	804	809	813	817	Bullish	Moderate	803 - 811
Zinc	MCX	Sept	267.50	264	266	269	271	274	Bullish	Moderate	265 - 270
Lead	MCX	Sept	183	180	182	183	185	187	Bearish	Moderate	181 - 184
Aluminum	MCX	Sept	229.95	227	229	231	232	235	Bullish	Moderate	228 - 232

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