



Tuesday, October 08, 2024

Overview

- Gold prices ease on reduced expectations of larger cuts by Fed
- Oil prices rose on war escalations in the Middle East
- This week, FOMC meeting minutes and US inflation data will be in focus.

Precious Metals

Gold prices fell slightly in early morning trade, and were nursing a tumble from record highs as strong U.S. payrolls data fueled bets on a smaller interest rate cut by the Federal Reserve. Bullion fell from record highs as the dollar and U.S. Treasury yields shot up on the strong payrolls data, which saw traders largely scale back bets that the Fed will cut interest rates by 50 bps again. Gold prices had surged to record highs in September after the Fed cut rates by 50 bps and announced the start of an easing cycle. However, stronger than expected nonfarm payrolls data last week, spurred bets that the Fed will cut rates only by 25 bps in its November meeting. CME Fed-Watch showed traders pricing in an over 90% chance of such a scenario. Market participants were also expecting a retaliation from Israel on Iran over the weekend, which was a miss, however, tussle between Israel and Hamas continue to build the safe haven appeal for both gold and silver. Focus this week is on addresses by a string of Fed officials, as well as the minutes of the Fed's September meeting. Consumer price index inflation data due later in the week is also likely to factor into the outlook for rates. Gold on domestic front could trade in a range between ₹75,500-76,500.

Precious metals	Close (\$)	%Chg.
Gold	2639.5	-0.2%
Silver	31.34	-1.2%
CFTC data	Speculative Longs	Change WoW
Gold	248960	-5881
Silver	38379	-7709
ETF	Close	%Chg.
GOLD ETF	2003.4	1.35
Silver ETF	26233	62.41
Others	Close	%Chg.
DXY	102.54	-0.1%
US 10Y Yields	4.00	1.1%

Base Metals

Copper traded steady, as trading activity remained quiet as China celebrated the final day of the Golden Week holiday. Copper prices remained near \$10,000 per ton as copper smelter sector participants reportedly discussed cutting capacity due to poor processing fees, according to Bloomberg. A significant expansion of smelter capacity in China, Indonesia, and Congo is boosting competition for ore and lowering miners' prices. A closure of smelting capacity could, instead, provide some upward momentum to refined copper prices, as China attempts to stimulate its economy through fiscal stimulus. Furthermore, China's Caixin Manufacturing PMI fell to 49.3 in September, indicating a contraction in the sector and a missed market prediction, which contributed to lower demand expectations. Zinc prices gained driven by China's economic stimulus measures aimed at reviving growth. Chinese government implemented policies such as liquidity injections, mortgage rate reduction, and eased house purchase limitations, which boosted investor sentiment in the commodities market.

Energy

Oil prices fell slightly in early morning session, retreating after persistent concerns over a worsening conflict in the Middle East drove strong gains through past week. Currently, Middle Eastern producers like Saudi Arabia and the UAE have enough spare capacity to offset potential losses of supply from fellow member Iran. However, in case the conflict escalates to Iranian proxies targeting oil infrastructure in Iran's Middle Eastern neighbors, or if Iran moves to block or restrict oil cargo traffic in the Strait of Hormuz, oil prices could spike to triple digits and record highs. Traders are keep an eye on the reopening of Chinese markets after a week-long holiday, the past week especially as the world's biggest oil importer announced a slew of major stimulus measures. Elsewhere, potential supply disruptions in the Gulf of Mexico supported prices. Hurricane Milton is bearing down on the region, and Chevron has closed its Blind Faith oil platform in anticipation. While the hurricane is expected to miss most oil infrastructure in the Gulf of Mexico, several ports in the region were seen imposing restrictions, which could potentially disrupt oil shipments. Focus this week is on addresses by a string of Fed officials, as well as the minutes of the Fed's September meeting.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	854	0.3%
Aluminium	2430	0.9%
Nickel	1522	0.0%
Lead	186	-0.1%
Zinc	288	1.3%

Inventory		Current	W/W Chg.	Units
Copper	LME	297300	-1225	MT
	Shanghai	141625	1217	MT
Aluminum	LME	780275	-2500	MT
	Shanghai	280565	1394	MT
Nickel	LME	131856	-96	MT
	Shanghai	22644	6	MT
Lead	LME	198625	0	MT
	Shanghai	40779	0	MT
Zinc	LME	244100	-1225	MT
	Shanghai	79980	-176	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	75.65	-2.3%
Natural gas	2.75	-3.9%

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	141240	-20688
Natural Gas	-13713	1088

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		
-10.8%	505	308	1945.5	74000	203.5	4940	2257	4.2%	
-12.5%	28	20	1634	74500	322	425	129	-12.8%	
-5.0%	1311	2737	1274.5	75000	499	11406	2537	16.5%	
53.4%	431	1359	1008	75500	741	1656	265	33.8%	
23.9%	3066	15308	766	76000	1000	3376	619	22.8%	
-2.0%	392	1060	587.5	76500	1329.5	2	4	0.0%	
19.8%	4158	6162	433	77000	1682	142	145	19.8%	
15.0%	246	365	330.5	77500	1923	0	0	0.0%	
25.2%	2481	3677	273.5	78000	2379	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-47.2%	2950	68186	317.9	6200	105.7	134579	6226	66.7%	
-47.5%	635	25719	294.9	6250	125	40368	1071	63.3%	
-41.5%	4328	137207	273.6	6300	145.9	152092	6122	101.5%	
-51.4%	965	45737	250.3	6350	170.4	26889	729	143.0%	
40.5%	4232	176423	233	6400	195.7	120341	3724	530.1%	
26.4%	1014	44093	214.3	6450	222.8	10557	446	1174.3%	
7.2%	6424	165032	196.9	6500	252.2	39333	2045	179.4%	
20.5%	800	27241	181.8	6550	281.5	371	53	5200.0%	
10.5%	2934	80945	168	6600	316.1	3414	653	659.3%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
42.4%	225	291	34.65	210	4.55	15374	2555	-19.8%	
5.7%	796	2875	25.75	220	7.8	31295	4590	5.9%	
168.7%	3074	28835	19.2	230	12.55	44121	3229	12.0%	
409.4%	2323	28085	16.55	235	15.45	32034	1103	26.1%	
126.3%	9646	55918	14.1	240	255	31134	2995	-19.7%	
24.8%	3375	21613	12.05	245	22.1	6402	766	-26.2%	
23.4%	9527	39652	10.15	250	25.9	5853	2358	-20.0%	
-2.1%	7900	30675	7.1	260	33.7	301	595	-5.6%	
16.1%	5328	17779	4.9	270	41.1	15	73	0.0%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Oct	6,835	6,710	6,773	6,810	6,873	6,910	Bearish	Moderate	6792 - 6892
Cocudakl	NCDEX	Dec	2,922	2,897	2,910	2,927	2,940	2,957	Bearish	Moderate	2904 - 2934
Cotton	NCDEX	Nov	56,840	56,340	56,590	56,750	57,000	57,160	Bearish	Moderate	56670 - 57080
Dhaniya	NCDEX	Oct	7,472	7,361	7,417	7,451	7,507	7,541	Bearish	Moderate	7389 - 7479
Jeera	NCDEX	Oct	26,605	26,175	26,390	26,530	26,745	26,885	Bearish	Moderate	26460 - 26815
Guar Seed	NCDEX	Oct	5,532	5,419	5,476	5,507	5,564	5,595	Bearish	Moderate	5492 - 5580
Guar Gum	NCDEX	Oct	11,077	10,808	10,942	11,029	11,163	11,250	Bearish	Moderate	10986 - 11207
Mentha Oil	MCX	Oct	924	908	916.07	922	930	936	Bearish	Moderate	919 - 933
Turmeric	NCDEX	Oct	14,214	12,789	13,501	14,043	14,755	15,297	Flat	Moderate	13772 - 15026

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Dec	76045	75581	75813	76072	76304	76563	Bullish	Moderate	75943 - 76434
Gold Comex	Comex	Oct	2645	2629	2637	2647	2655	2665	Bearish	Moderate	2633 - 2651
Silver	MCX	Dec	92357	90549	91453	92379	93283	94209	Bullish	Moderate	91001 - 92831
Silver Comex	Comex	Nov	31.86	31.20	31.53	31.95	32.28	32.71	Bearish	Moderate	31 - 32
Crude	MCX	Oct	6475	6134	6304	6400	6570	6666	Bullish	High	6352 - 6618
Crude Nymex	Nymex	Nov	76.47	71.70	74.09	75.39	77.78	79.08	Bullish	Moderate	75 - 78
Nat Gas	MCX	Oct	230	221	226	232	237	243	Bearish	Moderate	224 - 235
BullDex	MCX	Oct	18919	18813	18866	18941	18994	19069	Bearish	Moderate	18840 - 18968
Copper	MCX	Oct	853.85	837	846	854	863	871	Bearish	Moderate	841 - 858
Zinc	MCX	Oct	288.20	284	286	288	290	291	Bullish	Moderate	287 - 290
Lead	MCX	Oct	186	185	186	186	187	188	Bearish	Moderate	186 - 187
Aluminum	MCX	Oct	242.50	239	241	242	244	245	Bullish	Low	241 - 244

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