



Wednesday, October 09, 2024

Overview

- Gold prices ease on reduced expectations of larger cuts by Fed
- Base metals drop on no stimulus disappointment
- Oil prices plummet on ceasefire talks
- Today FOMC meeting minutes will be important.

Precious Metals

Gold and silver prices fell from record highs in yesterday's session falling from record highs as traders priced in the prospect of smaller interest rate cuts by the Federal Reserve. Gold prices had surged to record highs in September after the Fed cut rates by 50 bps and launched an easing cycle. But doubts over the central bank's future pace of rate cuts amidst better than expected jobs data and fed officials comments saw bullions retreat. Strength in dollar- which hit seven-week highs in recent sessions- also weighed on metal markets. Fall in expectations for a rate cut, influenced an up-move in US Yields. Traders have now priced in a nearly 87% chance of a 25bps rate reduction in November, which was earlier skewed towards 50 bps, according to CME Fed-Watch. Fed Bank of Boston President Collins said that with inflation trends growing weaker it is very probable that the U.S. central bank can deliver more interest rate cuts. Meanwhile, Atlanta Fed President Bostic said, that the labor market is certainly slowed down, but is not slow for an aggressive cut. Geo-political tensions have also been increasing safe haven appeal for both Gold and silver however, market participants are awaiting updates regarding retaliation from Israel against Iran. Focus this week will be on FOMC meeting minutes and US inflation data.

Precious metals	Close (\$)	%Chg.
Gold	2620.0	-0.1%
Silver	30.62	-0.3%
CFTC data	Speculative Longs	Change WoW
Gold	248960	-5881
Silver	38379	-7709
ETF	Close	%Chg.
GOLD ETF	2003.4	0.00
Silver ETF	26316	82.23
Others	Close	%Chg.
DXY	102.55	0.0%
US 10Y Yields	4.01	0.2%

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Base Metals

Copper futures fell more than 2% to a two-week low after the National Development and Reform Commission of China announced no new stimulus measures, disappointing markets. However, Chinese officials have declared plans to accelerate the issuing of special purpose bonds in order to boost economic growth. China released extensive economic support measures last month, including a drop in bank reserve requirements and key lending rates, and investors are now looking for signs of additional fiscal stimulus. Commodity prices were also pressured by rising expectations of a less aggressive easing campaign from the Federal Reserve extending gains for dollar. The upcoming FOMC minutes could deviate from their typical non-impact due to the recent surprise 50bps rate cut. While this cut appears dovish, the dot plots and dissent from Michelle Bowman indicate a less dovish outlook, suggesting that one or two additional 25bps cuts may be appropriate this year. The minutes will reveal the breadth of views within the committee, contrasting with the consensus in the policy statement.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	835	-0.2%
Aluminium	2350	-0.2%
Nickel	1517	-0.3%
Lead	183	-1.6%
Zinc	281	0.1%

Inventory		Current	W/W Chg.	Units
Copper	LME	296275	-1025	MT
	Shanghai	141625	1217	MT
Aluminum	LME	777775	-2500	MT
	Shanghai	280565	1394	MT
Nickel	LME	131850	-6	MT
	Shanghai	22560	-84	MT
Lead	LME	198425	-200	MT
	Shanghai	40779	0	MT
Zinc	LME	242400	-1700	MT
	Shanghai	79980	-176	MT

Energy

Oil prices plummeted more than 4% following reports that the Lebanese militant group Hezbollah was seeking a ceasefire with Israel, pointing to a potential de-escalation of the Middle East conflict. Israel Defense Minister Yoav Gallant is scheduled to meet with U.S. Secretary of Defense Lloyd Austin at the Pentagon to further discuss ongoing security developments in the Middle East press secretary Maj. Gen. Pat Ryder. The risk-off tone, triggered by the lack of new stimulus measures in China, also weighed on oil prices. Meanwhile, signs of an outsized build in U.S. inventories limited gains after the API showed that U.S. oil inventories grew by 10.9 million barrels (Mbs), much more than the expected build of 1.95 million barrels (mb). Traders were watching for any potential disruptions in oil supply from Hurricane Milton, one of the strongest hurricanes in recent history. The Category-5 storm is set to make landfall in Florida this week, but is expected to largely avoid most oil and gas operations in the Gulf of Mexico. However, more oil companies shut down platforms and terminals ahead of its expected Wednesday night arrival. For today, market participants are keeping an eye on the EIA inventory data due in the evening today.

Energy	Close (\$)	%Chg.
WTI Crude oil	73.66	-0.3%
Natural gas	2.72	-0.5%

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	
-1.0%	285	103	2700.5	73000	141.5	5284	2676	38.2%
0.0%	3	0	2200	73500	237	578	195	18.2%
15.0%	581	1144	1832.5	74000	389.5	12883	2175	-3.6%
78.6%	50	160	1442	74500	598.5	2082	238	84.5%
88.5%	2471	10113	1153	75000	860.5	22465	1941	-23.5%
100.5%	864	3738	898	75500	1187.5	2792	205	-22.6%
64.6%	5047	23068	666	76000	1551	3799	549	-11.3%
35.7%	532	1640	495.5	76500	1435	1	5	25.0%
-4.2%	3982	8042	353	77000	2430	107	140	-3.4%

MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-12.4%	4907	16243	516.7	6000	90.3	181212	7497	-14.5%
-99.2%	5	0	412.1	6050	108.6	36277	1203	-23.1%
-24.4%	3147	38982	447	6100	131.2	160054	5842	-12.5%
5.8%	1077	17283	408.3	6150	155.4	51782	935	-16.4%
72.9%	5102	122552	376.1	6200	181.8	210816	3697	-40.6%
192.9%	1860	33797	344.1	6250	210.4	51224	627	-41.5%
78.1%	7707	180619	317.1	6300	241.1	204579	3924	-35.9%
227.7%	3162	51707	290.9	6350	273.5	38531	381	-47.7%
73.3%	7336	179200	268.1	6400	307.6	110770	1173	-68.5%

MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-15.1%	191	1275	24.8	210	4.2	19714	2807	9.9%
10.6%	880	11668	17.9	220	7.15	42311	4396	-4.2%
17.2%	3604	54762	12.8	230	11.75	57648	4017	24.4%
-4.6%	2215	34623	10.75	235	14.4	20283	1216	10.2%
7.1%	10328	50818	8.8	240	255	16255	2450	-18.2%
-12.3%	2961	20851	7.35	245	20.65	3762	571	-25.5%
-4.7%	9078	30394	6.1	250	24.5	2772	1506	-36.1%
-5.0%	7502	17141	4.15	260	32.4	69	572	-3.9%
-9.0%	4847	8840	2.75	270	42.45	9	76	4.1%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Oct	6,870	6,772	6,821	6,854	6,903	6,936	Bearish	Moderate	6838 - 6920
Cocudakl	NCDEX	Dec	2,928	2,895	2,911	2,924	2,940	2,953	Bearish	Moderate	2918 - 2947
Cotton	NCDEX	Nov	56,750	56,370	56,560	56,690	56,880	57,010	Bearish	Moderate	56625 - 56945
Dhaniya	NCDEX	Oct	7,480	7,403	7,441	7,489	7,527	7,575	Bearish	Moderate	7422 - 7508
Jeera	NCDEX	Oct	26,770	26,380	26,575	26,785	26,980	27,190	Bearish	Moderate	26680 - 27085
Guar Seed	NCDEX	Oct	5,522	5,467	5,495	5,532	5,560	5,597	Bearish	Moderate	5481 - 5546
Guar Gum	NCDEX	Oct	11,102	10,982	11,042	11,130	11,190	11,278	Bearish	Moderate	11086 - 11234
Mentha Oil	MCX	Oct	914	901	907.13	918	925	936	Bearish	Moderate	904 - 922
Turmeric	NCDEX	Oct	13,940	13,563	13,751	14,071	14,259	14,579	Bearish	Moderate	13657 - 14165

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Dec	75161	74151	74656	75388	75893	76625	Bearish	High	74404 - 75641
Gold Comex	Comex	Oct	2615	2591	2603	2621	2633	2651	Bearish	Moderate	2597 - 2627
Silver	MCX	Dec	88729	85724	87226	89725	91227	93726	Bearish	Moderate	86475 - 90476
Silver Comex	Comex	Nov	30.46	29.41	29.94	30.89	31.41	32.36	Bearish	Moderate	30 - 31
Crude	MCX	Oct	6244	5947	6095	6263	6411	6579	Bullish	Moderate	6021 - 6337
Crude Nymex	Nymex	Nov	72.98	68.69	70.83	74.27	76.41	79.85	Bearish	Moderate	70 - 75
Nat Gas	MCX	Oct	232	224	228	231	235	238	Bearish	Moderate	230 - 236
BullDex	MCX	Oct	18587	18328	18457	18689	18818	19050	Bearish	Moderate	18393 - 18754
Copper	MCX	Oct	834.95	819	827	840	848	860	Bearish	Moderate	823 - 844
Zinc	MCX	Oct	280.55	277	279	282	284	287	Bearish	Moderate	278 - 283
Lead	MCX	Oct	183	180	182	184	185	187	Bearish	Moderate	181 - 184
Aluminum	MCX	Oct	234.75	231	233	236	238	242	Bearish	Moderate	232 - 237

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