



Friday, October 11, 2024

Overview

- Natural gas inventories saw a build of 82 Bcf compared to +71 Bcf expected
- Renewed geopolitical tensions push energy markets higher
- Today U.S. PPI and U.S. consumer sentiments to be in focus.

Precious Metals

Gold prices climbed after recent data supported bets for a Federal Reserve interest rate cut next month, while market participants awaited the U.S. Producer Price Index (PPI) report for further direction. The dollar index flinched slightly hovering around its two-month high, against major crosses. On data front, U.S. consumer prices rose slightly more than expected in September, while jobless claims increased to 258,000 in the week ended Oct. 5, versus estimates of 230,000. Ignoring the Core and monthly data, market participants focused on the headline inflation data which was reported 0.1% lower than previous month i.e CPI YoY was reported at 2.4% v/s 2.5% in previous month. Post the release of US inflation data, US rate cut expectations for 25bps in the November meeting rose from 68% last week to 90%, according to CME's Fed-Watch. Fed officials since past few weeks have been actively mentioning that inflation is going in right direction which could bring further rate cuts, however there is a mixed view regarding the pace of rate cuts. Escalation in the Middle East situation could further support bullions, as along with the tussle between Israel and Hamas group, market participants are also awaiting a retaliatory move from Israel against Iran. Focus now shifts to US PPI data. Gold on domestic front could trade in a range between ₹75,000-76,000.

Precious metals	Close (\$)	%Chg.
Gold	2640.6	0.4%
Silver	31.23	0.1%
CFTC data	Speculative Longs	Change WoW
Gold	248960	-5881
Silver	38379	-7709
ETF	Close	%Chg.
GOLD ETF	1989.7	-14.40
Silver ETF	26287	-28.37
Others	Close	%Chg.
DXY	102.99	-0.1%
US 10Y Yields	4.06	0.7%

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Base Metals

Copper inched higher as market participants speculated about China's next fiscal policy moves. A series of recent policy announcements from Beijing has sparked optimism for a potential boost in commodity demand, though they have largely fallen short of expectations so far. China's Finance Minister, Lan Fo'an, is set to speak at an event on Saturday, raising hopes for further measures. Meanwhile, People's Bank of China's support for equity markets may indirectly benefit commodity markets. If stability returns to the real estate sector and equity markets strengthen, consumer sentiment could improve, potentially fueling an economic rebound and driving stronger demand for commodities. This would also support China's execution of its current policy measures. Additionally, investment in grid infrastructure, linked to the ongoing expansion of renewable energy, should sustain demand for copper and aluminum. A recovery in manufacturing could help balance the persistent demand weakness for steel and iron ore in the property sector. However, the flip side might be reduced demand for gold, as investors shift their focus back to equity markets.

Energy

Natural gas prices initially fell to a 2.5-week low after the EIA reported a larger-than-expected inventory build of +82 bcf, compared to the anticipated +71 bcf. However, prices rebounded slightly as short-covering kicked in, driven by forecasts of colder U.S. temperatures, which are expected to increase demand for heating. In the oil market, prices surged, breaking a two-day losing streak, as the market awaited Israel's response to Iran's missile attack. Despite this, concerns over China's economy persist, and the absence of significant stimulus measures from Beijing this week triggered a broad market selloff, including in oil. The Chinese government has announced a fiscal policy briefing scheduled for Saturday. Heading into the weekend, oil markets are expected to remain volatile amid uncertainty over whether Israel will directly target Iran's oil infrastructure. This shift in focus shortly overshadowed the bearish U.S. inventory report, which showed a 5.81 million barrel increase in commercial stockpiles last week, according to the EIA.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	832	-1.1%
Aluminium	2389	-0.9%
Nickel	1489	0.1%
Lead	182	0.4%
Zinc	283	-1.5%

Inventory		Current	W/W Chg.	Units
Copper	LME	299350	4525	MT
	Shanghai	141625	1217	MT
Aluminum	LME	772775	-2500	MT
	Shanghai	280565	1394	MT
Nickel	LME	132312	-60	MT
	Shanghai	22921	169	MT
Lead	LME	196650	-175	MT
	Shanghai	40779	0	MT
Zinc	LME	242450	-1575	MT
	Shanghai	79980	-176	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	75.68	-0.2%
Natural gas	2.70	0.6%

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	
-2.1%	275	223	1674	73000	141.5	3005	3108	10.4%
0.0%	1	0	1364.5	73500	203	899	253	-5.2%
4.3%	679	1686	1003.5	74000	321.5	9074	2938	29.0%
67.0%	177	1391	740.5	74500	507.5	2169	452	31.0%
-7.0%	3284	18139	545	75000	773	5205	1861	-8.7%
-13.9%	827	2339	404	75500	1102.5	262	190	-17.4%
-6.7%	5210	10749	287.5	76000	1465	532	492	-5.4%
-7.2%	466	832	224.5	76500	1740	0	5	0.0%
0.0%	4002	2853	168.5	77000	2272.5	72	136	-2.9%

MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-47.0%	827	35206	175.5	6150	101.1	58624	2236	103.1%
-99.5%	38	188	308.4	6200	120	222621	9020	124.1%
-55.3%	985	81969	142.4	6250	143.2	57208	2330	479.6%
-33.1%	5393	216282	125.3	6300	167	130191	7199	120.4%
-63.4%	1183	59645	110.3	6350	194.9	16511	1102	284.0%
-36.5%	4233	115468	100.8	6400	222.8	30767	2984	209.5%
-56.4%	802	27727	90.3	6450	254.9	1542	122	100.0%
-22.9%	6364	111739	81.3	6500	286.6	7498	1473	77.5%
-46.0%	629	20009	73	6550	320.6	67	35	-2.8%

MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-2.1%	94	32	34.25	190	1.3	6252	2364	11.8%
-18.6%	228	995	25.8	200	2.55	24719	6032	0.1%
23.8%	427	10129	18.55	210	5	35705	4372	52.2%
-11.5%	238	13128	15.5	215	6.9	23998	1563	78.4%
61.7%	3044	57778	12.9	220	255	55860	5553	16.0%
21.6%	2648	40517	10.7	225	11.65	23617	1730	24.8%
0.4%	8080	52637	8.8	230	14.55	18442	3680	-16.8%
-3.0%	10908	30757	5.8	240	21.5	4643	2161	-1.7%
-0.7%	9730	22097	3.95	250	29.55	244	1378	-1.9%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Oct	6,862	6,791	6,826	6,887	6,922	6,983	Bearish	Moderate	6809 - 6905
Cocudakl	NCDEX	Dec	2,961	2,901	2,931	2,949	2,979	2,997	Bearish	Moderate	2940 - 2988
Cotton	NCDEX	Nov	56,950	56,597	56,773	56,937	57,113	57,277	Bearish	Moderate	56855 - 57195
Dhaniya	NCDEX	Oct	7,400	7,325	7,363	7,411	7,449	7,497	Bearish	Moderate	7344 - 7430
Jeera	NCDEX	Oct	26,850	26,420	26,635	26,765	26,980	27,110	Bearish	Moderate	26700 - 27045
Guar Seed	NCDEX	Oct	5,582	5,469	5,526	5,565	5,622	5,661	Bearish	Moderate	5546 - 5642
Guar Gum	NCDEX	Oct	11,381	11,054	11,217	11,324	11,487	11,594	Bearish	Moderate	11271 - 11541
Mentha Oil	MCX	Oct	923	910	916.20	922	928	933	Flat	Moderate	919 - 931
Turmeric	NCDEX	Oct	13,822	13,594	13,708	13,904	14,018	14,214	Bearish	Moderate	13651 - 13961

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Dec	75297	74500	74898	75156	75554	75812	Bearish	Moderate	75027 - 75683
Gold Comex	Comex	Oct	2621	2591	2606	2617	2632	2643	Bearish	Moderate	2612 - 2637
Silver	MCX	Dec	90304	87877	89090	89854	91067	91831	Bearish	Moderate	89472 - 91449
Silver Comex	Comex	Nov	31.09	30.15	30.62	30.94	31.41	31.72	Flat	Moderate	31 - 32
Crude	MCX	Oct	6394	6096	6245	6324	6473	6552	Bullish	High	6285 - 6513
Crude Nymex	Nymex	Nov	75.11	71.56	73.34	74.39	76.17	77.22	Bullish	Moderate	74 - 77
Nat Gas	MCX	Oct	224	214	219	223	228	232	Bearish	Moderate	221 - 230
BullDex	MCX	Oct	18731	18522	18626	18705	18809	18888	Bearish	Moderate	18666 - 18849
Copper	MCX	Oct	832.35	818	825	830	837	841	Bearish	Moderate	827 - 839
Zinc	MCX	Oct	282.75	274	278	281	285	287	Bearish	Moderate	279 - 286
Lead	MCX	Oct	182	180	181	182	183	184	Bearish	Moderate	181 - 183
Aluminum	MCX	Oct	237.50	231	234	236	239	241	Bearish	Moderate	235 - 240

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