



Wednesday, October 16, 2024

Overview

- Gold prices held steady amidst a stronger dollar
- Oil prices slipped as fears of supply disruptions eased
- Base metals inch lower on disappointment of lack of stimulus
- On focus this week- US Retail sales, IIP and China GDP data.

Precious Metals

Gold prices continue to trade in a narrow range, extending recent losses as strength in the dollar, on expectations of smaller interest rate cuts. Dollar index has been holding firm above 103 reversing from the recent lows of ~101.30, capping gains for metals on higher side. Mixed comments from Fed officials is also keeping market participants on edge. Governor Christopher Waller said he supported a cautious stance towards reducing rates further in the coming months, citing recent signs of resilience in the U.S. economy and sticky inflation. Atlanta Fed President Raphael Bostic said he penciled in just one more 25 bps rate reduction this year, while San Francisco Fed president mentioned that the Fed remains on track for more rate cuts this year. U.S. central bank meeting, Traders were seen pricing in an over 80% chance the Fed will cut rates by 25 basis points in November, smaller than the bank's 50 bps cut in September, CME Fed-watch showed. Traders were also seen positioning for a higher terminal rate for the Fed. New York Oct Empire State manufacturing index tumbled to -11.9 against the estimates to 3.4 and previous month of 11.5, lowest since May 2024, supporting gains for bullions. Focus this week will be on US Retail Sales, IIP and China GDP data. Gold on domestic front is expected to trade in a range of 75,800- 76,800.

Precious metals	Close (\$)	%Chg.
Gold	2667.3	0.2%
Silver	31.61	0.5%
CFTC data	Speculative Longs	Change WoW
Gold	226283	-22677
Silver	34744	-3635
ETF	Close	%Chg.
GOLD ETF	1998.2	-1.55
Silver ETF	26254	-18.87
Others	Close	%Chg.
DXY	103.26	-0.1%
US 10Y Yields	4.03	-0.9%

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Base Metals

Base metal prices fell as fears about China's economic future dampened demand for the metals. An exceptional briefing by China's Ministry of Finance confirmed its intention of issuing more debt to help the faltering property market, but the lack of detailed monetary specifics left investors skeptical of the stimulus's magnitude. This, combined with lower-than-expected Chinese export figures for September, highlighted Chinese firms' problems to offset low domestic demand with foreign sales. In addition, lower-than-expected new yuan loan and inflation figures raised concerns about China's industrial outlook, the world's largest copper user. Chinese copper smelters' processing fees remained near zero, indicating an oversupplied refined copper market. The International Copper Study Group (ICSG) reported a global refined copper surplus of 91,000 metric tons in July, down from 113,000 metric tons in June, with a year-to-date surplus of 527,000 metric tons. China GDP data will be important to track this week.

Energy

Oil prices fell sharply, extending recent losses amid growing concerns over a demand slowdown, especially following somewhat underwhelming signals from top importer China. Prices also under pressure amid report suggesting that Israel will not attack Iranian oil facilities. Such a potential strike was expected to mark a major escalation in the conflict, and had seen traders bidding up oil prices on expectations of the attack. Now, the de-escalation of war is weighing on prices. Concerns over slowing oil demand have significantly pressured prices, particularly due to disappointing signals from China's top oil importer. Additionally, data showed a decline in China's oil imports for the fifth consecutive month, indicating that weak economic conditions are dampening the country's demand for crude. These demand concerns were heightened by OPEC's decision to reduce its global oil demand forecasts for 2024 and 2025 for the third month in a row, with China being major factor behind the revision. Natural gas prices initially moved lower after weather forecasted a warmer-than-normal weather for most of the US from October 18-29. However, prices recovered as short covering emerged to push prices higher on forecasts for below-normal temperatures in the central and eastern US this week, which will boost heating demand for natural gas.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	817	-1.8%
Aluminium	2360	-1.6%
Nickel	1485	-0.6%
Lead	183	0.2%
Zinc	282	-1.7%

Inventory		Current	W/W Chg.	Units
Copper	LME	288125	-4725	MT
	Shanghai	156485	14860	MT
Aluminum	LME	767850	-1425	MT
	Shanghai	280953	388	MT
Nickel	LME	133284	738	MT
	Shanghai	24518	1002	MT
Lead	LME	194300	-1000	MT
	Shanghai	44566	3787	MT
Zinc	LME	239300	-1325	MT
	Shanghai	80714	734	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	70.78	-0.3%
Natural gas	2.49	0.2%

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	137293	-3947
Natural Gas	-19620	-5907

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		
-14.8%	362	526	1634.5	74000	70	4841	2265	2.9%	
-13.6%	70	141	1230	74500	100.5	2715	683	12.0%	
-11.7%	1664	5582	879	75000	195.5	14458	3083	24.8%	
-42.1%	605	10634	603.5	75500	359	14541	2610	388.8%	
-19.8%	3847	21387	398.5	76000	624.5	7779	1217	101.8%	
20.8%	663	3578	267	76500	1077	9	5	0.0%	
-0.8%	3801	5430	185	77000	1362	285	213	10.9%	
-15.2%	267	875	137.5	77500	1691	0	0	0.0%	
-0.7%	2965	2654	97	78000	2169.5	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
18.3%	2210	20481	548.5	5700	18.8	207996	8926	20.6%	
8.2%	1384	10869	459.8	5750	28.5	81020	2186	15.4%	
71.7%	4927	130662	448.2	5800	40.3	375545	8198	-2.3%	
95.6%	1389	60716	397.7	5850	58	186211	3004	49.4%	
169.9%	6575	428459	350.7	5900	79.3	523298	6417	-7.7%	
224.2%	4286	222590	310	5950	104.6	167541	1316	-33.6%	
189.1%	12740	495963	266.1	6000	134.3	371310	5871	-50.9%	
1332.4%	3223	128659	229.3	6050	170.3	59533	600	-68.6%	
278.8%	8501	252319	196.8	6100	207.7	112944	3893	-63.7%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	156	75	34.95	180	0.6	7442	2200	6.8%	
33.7%	139	1716	23.4	190	1.4	19551	3374	17.9%	
21.2%	1485	24242	14.95	200	3.25	59264	8179	18.9%	
72.4%	1395	22218	11.95	205	5	46858	4144	194.7%	
28.7%	6365	82820	9.35	210	255	66997	9257	31.3%	
4.9%	3724	47313	7.35	215	10.25	27004	2352	-13.8%	
-8.3%	9982	57136	5.65	220	13.6	20472	5154	-18.7%	
-9.4%	11259	26850	3.45	230	21.55	3694	2786	-13.3%	
-5.4%	11416	15584	2.15	240	30.25	469	1763	-11.8%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Oct	6,884	6,748	6,816	6,893	6,961	7,038	Bearish	Moderate	6855 - 7000
Cocudakl	NCDEX	Dec	2,919	2,876	2,898	2,924	2,946	2,972	Bearish	Moderate	2887 - 2935
Cotton	NCDEX	Nov	56,720	56,507	56,613	56,757	56,863	57,007	Bearish	Moderate	56595 - 56845
Dhaniya	NCDEX	Oct	7,470	7,411	7,441	7,479	7,509	7,547	Bearish	Moderate	7426 - 7494
Jeera	NCDEX	Oct	25,745	24,595	25,170	26,025	26,600	27,455	Bearish	Moderate	24883 - 26313
Guar Seed	NCDEX	Oct	5,556	5,403	5,480	5,577	5,654	5,751	Bearish	Moderate	5442 - 5616
Guar Gum	NCDEX	Oct	11,291	11,116	11,203	11,338	11,425	11,560	Bearish	Moderate	11160 - 11382
Mentha Oil	MCX	Oct	915	908	911.63	916	920	925	Bearish	Moderate	910 - 918
Turmeric	NCDEX	Oct	13,842	13,650	13,746	13,802	13,898	13,954	Flat	Moderate	13698 - 13850

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Dec	76360	75483	75921	76205	76643	76927	Bullish	Moderate	76063 - 76785
Gold Comex	Comex	Oct	2648	2652	2650	2653	2650	2653	Bullish	Moderate	2651 - 2652
Silver	MCX	Dec	91623	88822	90223	91105	92506	93388	Bullish	High	90664 - 92947
Silver Comex	Comex	Nov	31.61	30.60	31.10	31.40	31.90	32.20	Bullish	High	31 - 32
Crude	MCX	Oct	5923	5702	5813	5981	6092	6260	Bearish	Moderate	5758 - 6037
Crude Nymex	Nymex	Nov	70.01	67.89	68.95	70.26	71.32	72.63	Bearish	Moderate	68 - 71
Nat Gas	MCX	Oct	212	202	207	211	216	219	Bearish	Moderate	209 - 218
BullDex	MCX	Oct	18970	18700	18835	18908	19043	19116	Bullish	Moderate	18872 - 19080
Copper	MCX	Oct	817.15	808	813	819	824	830	Bearish	Moderate	811 - 822
Zinc	MCX	Oct	281.60	275	278	280	284	286	Bearish	Moderate	277 - 282
Lead	MCX	Oct	183	180	181	182	184	185	Flat	Moderate	182 - 184
Aluminum	MCX	Oct	235.50	231	233	235	237	239	Bearish	Moderate	232 - 236

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