



Monday, October 21, 2024

Overview

- Gold surges above \$2700
- China LPR rates were trimmed down by 25 bps
- Oil prices steady after shedding almost 8% last week
- On focus this week- Mfg and Services PMI from major economies

Precious Metals

Gold surged above the historic threshold of \$2,700 last week supported by escalating tensions in the Middle East, uncertainties around the U.S. elections and relaxed monetary policy expectations that pushed the metal into uncharted territory. Dollar index continues to hold firm above 103 level amidst safe haven buying while, US Treasury yields witnessed a significant drop supporting gold, as expectations of interest rates dropped by major central banks. Hamas and Hezbollah to keep fighting in Gaza and Lebanon dashed hopes that the death of a Palestinian militant leader might hasten an end to escalating war in the Middle East. Stimulus measures and rate cuts from China supported the overall sentiment in Industrial metals including silver which marked a 52 week on Comex, last week. Uncertainty regarding US Presidential election which is just a few weeks away is also supporting safe haven appeal for gold and silver. Focus this week will be on IMF meetings, preliminary manufacturing and services PMI data from major economies, US durables goods orders and comments from Fed officials.

Precious metals	Close (\$)	%Chg.
Gold	2730.8	0.4%
Silver	34.05	1.2%
CFTC data	Speculative Longs	Change WoW
Gold	235284	9001
Silver	35532	788
ETF	Close	%Chg.
GOLD ETF	2043.9	19.38
Silver ETF	26400	39.71
Others	Close	%Chg.
DXY	103.49	0.0%
US 10Y Yields	4.08	-0.5%

Base Metals

Copper futures slightly rose as better-than-expected economic data in the major consumer China boosted market sentiment. Data indicated that China's GDP grew 4.6% year on year in the third quarter, dropping from a 4.7% rise in the second quarter but exceeding expectations of 4.5%. In September, the government recorded higher-than-expected retail sales, industrial production, and fixed asset investments, despite new home prices falling the most since 2015. Still, copper prices were set to fall for the third week in a row due to concerns over a lack of significant stimulus measures to boost China's faltering housing sector. On the supply side, Australia's BHP Group reported a 4% increase in copper production during the fiscal first quarter, the latest indication of strong supply. PBoC lowered key lending rates to new lows, stepping up efforts to bolster a flagging economy. The one-year loan prime rate, which is the benchmark for most business and family loans, was decreased by 25 basis points to 3.1%, while the five-year rate, which is used for property mortgages, was reduced by the same amount to 3.6%. Today's decision came after Governor Pan Gongsheng indicated last week that the LPR will be reduced by 20 to 25 basis points.

Energy

Oil prices stabilized in the early morning session after experiencing their largest weekly drop in over a year, driven by disappointing signals regarding additional stimulus from China, the world's top oil importer. Concerns over China's economic outlook also led both OPEC and the IEA to lower their demand forecasts. Recent data from China indicated a year-on-year decline in apparent oil demand, despite some early signs of economic improvement in the world's second-largest economy and largest crude importer. Additional pressure on prices came from reports suggesting a less severe escalation in the Middle East conflict, as it indicated that Israel would not target Iran's oil or nuclear facilities. However, Israel continues to prepare for retaliation following an early-October strike, with ongoing hostilities involving Hamas and Hezbollah. Meanwhile, natural gas prices extended their two-week decline, hitting a one-month low for the nearest futures, as forecasts for above-normal temperatures in the U.S. expected to lower heating demand, further weighing on prices.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	822	-0.9%
Aluminium	2390	-1.0%
Nickel	1444	-2.0%
Lead	183	0.0%
Zinc	285	0.0%

Inventory		Current	W/W Chg.	Units
Copper	LME	284200	-3225	MT
	Shanghai	168425	11940	MT
Aluminum	LME	760350	-2500	MT
	Shanghai	283210	2257	MT
Nickel	LME	134370	48	MT
	Shanghai	24342	-151	MT
Lead	LME	194475	0	MT
	Shanghai	56235	11669	MT
Zinc	LME	239025	-2775	MT
	Shanghai	80077	-637	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	69.42	0.0%
Natural gas	2.26	-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	129653	-7640
Natural Gas	-79431	-59811

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		
-72.4%	122	607	1107	75500	18	5993	2172	-3.9%	
-57.4%	881	5897	717.5	76000	38.5	22092	4456	9.1%	
-67.7%	393	6833	433.5	76500	82	16898	1301	155.1%	
-30.4%	2760	42594	228.5	77000	219.5	37279	3425	473.7%	
14.2%	1086	20781	93	77500	502.5	2283	310	0.0%	
-3.1%	3397	21595	39	78000	903	510	104	10300.0%	
6.3%	588	3019	21.5	78500	1359	0	0	0.0%	
0.0%	1	1	1	79000	1843.5	0	0	0.0%	
0.0%	0	0	234	79500	2183	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-39.1%	284	987	427.6	5600	158.2	32887	834	-88.3%	
-94.2%	10	34	369.3	5650	177.1	4631	76	-96.5%	
-54.6%	712	8993	364.6	5700	198.2	53582	2105	-79.4%	
-91.4%	119	1719	310.2	5750	221.6	7633	302	-69.8%	
75.6%	3724	51192	309.2	5800	247.9	78106	3368	-51.4%	
-57.4%	506	10000	285.5	5850	273.9	9887	207	-93.9%	
190.9%	7209	98836	264.2	5900	303.7	85655	3402	27.8%	
-20.2%	1621	29698	244.8	5950	334.4	5717	190	-51.7%	
2.3%	9111	99460	224.8	6000	365.1	30648	2794	-19.3%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	2	4	27.6	170	0.5	8927	2520	6.6%	
221.6%	640	7338	19	180	1.8	42632	5153	49.1%	
145.5%	4127	52826	11.1	190	5.35	88112	6431	18.5%	
172.3%	5701	62265	8.1	195	8.2	65455	4193	10.9%	
35.8%	15320	111474	5.7	200	255	64000	9835	-22.0%	
13.0%	9478	48745	3.95	205	15.75	14187	3992	-10.7%	
3.6%	16092	55933	2.65	210	20.05	9226	7224	-4.9%	
-9.3%	10962	26075	1.3	220	29.45	1862	3789	-4.0%	
-13.3%	9632	13962	0.65	230	39.6	801	2173	-9.3%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Oct	6,800	6,800	6,800	6,800	6,800	6,800	Bearish	Moderate	6800 - 6800
Cocudakl	NCDEX	Dec	3,013	2,990	3,002	3,019	3,031	3,048	Bearish	Moderate	2996 - 3025
Cotton	NCDEX	Nov	56,460	54,093	55,277	56,283	57,467	58,473	Bearish	Moderate	55780 - 57970
Dhaniya	NCDEX	Oct	7,160	7,160	7,160	7,160	7,160	7,160	Bearish	Moderate	7160 - 7160
Jeera	NCDEX	Oct	25,500	25,500	25,500	25,500	25,500	25,500	Bearish	Moderate	25500 - 25500
Guar Seed	NCDEX	Oct	5,518	5,418	5,468	5,509	5,559	5,600	Bearish	Moderate	5443 - 5534
Guar Gum	NCDEX	Oct	11,240	11,020	11,130	11,210	11,320	11,400	Bearish	Moderate	11170 - 11360
Mentha Oil	MCX	Oct	929	926	927.40	930	932	934	Bearish	Moderate	927 - 931
Turmeric	NCDEX	Oct	12,750	12,750	12,750	12,750	12,750	12,750	Bearish	Moderate	12750 - 12750

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Dec	77749	77082	77416	77627	77961	78172	Bullish	Moderate	77522 - 78067
Gold Comex	Comex	Oct	2714	2718	2716	2718	2716	2718	Bullish	Moderate	2717 - 2717
Silver	MCX	Dec	95402	90780	93091	94306	96617	97832	Bullish	High	93699 - 97225
Silver Comex	Comex	Nov	33.08	30.84	31.96	32.87	33.99	34.91	Bullish	High	32 - 34
Crude	MCX	Oct	5839	5646	5743	5853	5950	6060	Bearish	Moderate	5695 - 5902
Crude Nymex	Nymex	Nov	68.69	66.68	67.68	69.18	70.18	71.68	Bearish	Moderate	67 - 70
Nat Gas	MCX	Oct	191	184	187	193	197	203	Bearish	Moderate	186 - 195
BullDex	MCX	Oct	19393	19104	19248	19344	19488	19584	Bullish	Low	19296 - 19536
Copper	MCX	Oct	822.25	813	818	822	826	830	Flat	Moderate	820 - 828
Zinc	MCX	Oct	284.90	281	283	284	286	287	Bullish	High	284 - 287
Lead	MCX	Oct	183	181	182	183	183	184	Bearish	Moderate	182 - 183
Aluminum	MCX	Oct	239.00	234	237	238	240	242	Bullish	High	237 - 241

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