



Tuesday, October 22, 2024

Overview

- Gold prices extend rally amidst increased safe haven demand
- Copper prices inched lower on short lived optimism over China
- On focus this week- Mfg and Services PMI from major economies

Precious Metals

Gold prices hit a record high once again yesterday, extending a rally from last week as uncertainty over the U.S. election and anticipation of Israel's retaliation against Iran fueled safe haven demand. Bullion rose even as the dollar remained close to its highest levels since Early-August, as traders penciled in a slower pace of interest rate cuts by the Federal Reserve. With the U.S. presidential election just over two weeks away, former President Donald Trump and Vice President Kamala Harris are caught in a knife-edge battle to win over some of the more competitive states. Meanwhile, hundreds of Beirut residents fled their homes as Israel prepared to attack sites linked to the financial operations of Hezbollah, aggravating fears of conflict escalation. Traders now see an 85% chance of a quarter basis point cut by the Fed in November. Focus this week will be on IMF meetings, preliminary manufacturing and services PMI from major economies, US durables goods orders and comments from Fed officials. Gold on domestic front is expected to trade between the range of 77,800 - 78,800

Precious metals	Close (\$)	%Chg.
Gold	2730.0	0.4%
Silver	33.95	0.5%
CFTC data	Speculative Longs	Change WoW
Gold	235284	9001
Silver	35532	788
ETF	Close	%Chg.
GOLD ETF	2037.6	-6.24
Silver ETF	26444	43.54
Others	Close	%Chg.
DXY	104.01	0.0%
US 10Y Yields	4.20	2.6%

Base Metals

Copper futures rose after China's central bank cut benchmark lending rates to a new low, improving the economy of the world's largest copper consumer. The People's Bank of China cut its one- and five-year loan prime rates by 25 basis points, to 3.1% and 3.6%, respectively. The PBOC also attempted to bolster China's equity market, announcing that it may decrease bank reserve requirements again before the end of the year. Elsewhere, anticipation of increasing copper demand due to the trend toward cleaner energy created fears about a shortage as miners tried to boost supply. A mixed set of economic data kept a lid on further gains for base metal prices, as China's GDP expanded by 4.6% year on year in the third quarter, above predictions of 4.5%, despite a modest deceleration from 4.7% in the second quarter. Strong retail sales, industrial output, and fixed asset investments in September all supported market optimism, with industrial production rising 5.4% year on year, exceeding predictions of 4.6%. However, fears about China's faltering real estate market persist, with new home prices decreasing dramatically. Strength in dollar index also posed pressure, limiting gains for prices.

Energy

Oil prices fell during Asian trading as the earlier recovery stalled, with concerns about weakening demand in China, a key oil consumer, remaining a significant issue. Participants found limited positive impact from China's interest rate cut on Monday, as the move had been widely anticipated by the government. Recent stimulus efforts from China also offered little optimism, as Beijing has not yet disclosed details on the timing or scale of its measures. Additionally, attention remained focused on the potential for escalating tensions in the Middle East, with Israel continuing its strikes on Hamas and Hezbollah, and reportedly preparing a strike against Iran. Despite this, traders are still on edge. Bullish call options are trading at a premium compared to bearish puts, and last week saw the second-highest volume of weekly call options for the global Brent benchmark. The International Energy Agency meanwhile has revised its global refinery runs forecast for this year to 82.8 Mbpd, down by 180,000 bpd from its previous estimate, also expecting a mere 0.6 Mbpd year-over-year increase in 2025.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	815	1.0%
Aluminium	237 ^P	1.6%
Nickel	1443	-0.1%
Lead	182	-0.3%
Zinc	284	1.1%

Inventory		Current	W/W Chg.	Units
Copper	LME	282200	-2000	MT
	Shanghai	168425	11940	MT
Aluminum	LME	757850	-2500	MT
	Shanghai	283210	2257	MT
Nickel	LME	134592	222	MT
	Shanghai	24073	-269	MT
Lead	LME	193375	-1100	MT
	Shanghai	56235	11669	MT
Zinc	LME	237175	-1850	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		
-45.3%	482	1048	1186	76000	7.5	8128	3632	-18.5%	
-42.2%	227	885	734.5	76500	14	10599	2068	59.0%	
-58.9%	1133	11888	383.5	77000	60.5	49790	3343	-2.4%	
39.7%	1517	29921	175.5	77500	194	29844	965	211.3%	
107.2%	7039	80621	77	78000	554	16404	339	226.0%	
392.5%	2896	23237	28	78500	1059.5	95	9	0.0%	
50100.0%	502	2996	50	79000	1435	45	7	0.0%	
0.0%	0	0	0.5	79500	1991.5	0	0	0.0%	
0.0%	180	370	274.5	80000	2600	1	1	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
3.4%	736	4176	329.9	5700	153.7	39443	2651	25.9%	
-25.2%	89	591	306.6	5750	173.6	8340	522	72.8%	
-6.6%	3480	40874	278.9	5800	194.4	71003	5714	69.7%	
13.0%	572	16074	257.6	5850	219	16882	722	248.8%	
-19.3%	5816	86159	236.3	5900	243.3	69633	4253	25.0%	
-18.9%	1314	20672	217.4	5950	271.8	7538	354	86.3%	
-16.5%	7612	75238	200.4	6000	299.8	23858	2513	-10.1%	
28.0%	530	8322	185.2	6050	332.3	114	12	-20.0%	
3.7%	4162	37594	169.8	6100	364.7	1685	353	52.8%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	0	0	25.9	165	0.15	2574	879	32.6%	
0.0%	20	1500	16.25	175	0.5	15227	2162	54.1%	
2.5%	453	31351	9.15	185	1.9	90107	4082	84.5%	
20.7%	4980	125943	6.3	190	3.5	158682	8018	24.7%	
-5.7%	5378	147794	4.15	195	255	113243	3337	-20.4%	
-14.9%	13035	169237	2.65	200	9.05	65504	9223	-6.2%	
-15.4%	8021	71876	1.7	205	13	18921	3845	-3.7%	
-6.2%	5619	16943	0.75	215	21.75	1311	1391	-2.0%	
-6.1%	4416	9275	0.4	225	30.05	135	788	-2.1%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Oct	6,775	6,678	6,727	6,759	6,808	6,840	Bearish	Moderate	6743 - 6824
Cocudakl	NCDEX	Dec	3,075	3,004	3,039	3,065	3,100	3,126	Bearish	Moderate	3052 - 3113
Cotton	NCDEX	Nov	57,420	56,993	57,207	57,413	57,627	57,833	Bearish	Moderate	57100 - 57520
Dhaniya	NCDEX	Oct	7,480	7,412	7,446	7,496	7,530	7,580	Bearish	Moderate	7429 - 7513
Jeera	NCDEX	Oct	25,290	24,930	25,110	25,280	25,460	25,630	Bearish	Moderate	25195 - 25545
Guar Seed	NCDEX	Oct	5,495	5,450	5,472	5,496	5,518	5,542	Bearish	Moderate	5461 - 5507
Guar Gum	NCDEX	Oct	11,133	11,024	11,079	11,164	11,219	11,304	Bearish	Moderate	11052 - 11192
Mentha Oil	MCX	Oct	921	914	917.53	923	926	932	Bearish	Moderate	916 - 925
Turmeric	NCDEX	Oct	13,858	13,510	13,684	13,848	14,022	14,186	Strong	Moderate	13766 - 14104

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Dec	78039	77530	77785	78122	78377	78714	Bullish	Moderate	77658 - 78250
Gold Comex	Comex	Oct	2723	2708	2716	2727	2735	2746	Bullish	Moderate	2721 - 2740
Silver	MCX	Dec	97448	95425	96437	97517	98529	99609	Bullish	High	96977 - 99069
Silver Comex	Comex	Nov	33.92	33.14	33.53	33.91	34.30	34.68	Bullish	High	34 - 34
Crude	MCX	Oct	5962	5781	5871	5922	6012	6063	Flat	Moderate	5897 - 6038
Crude Nymex	Nymex	Nov	70.04	67.70	68.87	69.63	70.80	71.56	Flat	Moderate	69 - 71
Nat Gas	MCX	Oct	194	183	189	193	199	203	Bearish	Moderate	191 - 201
BullDex	MCX	Oct	19592	19437	19515	19627	19705	19817	Bullish	Moderate	19476 - 19666
Copper	MCX	Oct	814.80	801	808	820	827	839	Bearish	Moderate	805 - 823
Zinc	MCX	Oct	283.85	279	281	285	288	292	Bullish	Moderate	280 - 287
Lead	MCX	Oct	182	180	181	182	183	184	Bearish	Moderate	181 - 183
Aluminum	MCX	Oct	237.40	233	235	239	241	245	Bullish	Moderate	234 - 240

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