



Friday, October 25, 2024

Overview

- Gold prices head for weekly gains on safe haven status
- Zinc prices hit all time high
- Natural gas prices rise on outlook for colder temperature

Precious Metals

Gold prices steadied but were headed for a weekly gain, driven by safe-haven demand due to escalating geopolitical concerns. Israel's military said yesterday it killed a Hamas commander who took part in the Oct. 7, 2023, assault on southern Israel and also worked for the U.N. aid agency in the Gaza Strip. Uncertainty is also high ahead of U.S. Election Day on Nov. 5, with polls showing a tight race between Donald Trump and Kamala Harris. New applications for U.S. unemployment aid unexpectedly fell last week, but the number of people collecting benefits in mid-October was the highest in nearly three years, indicating it was becoming harder for those losing jobs to land new positions. Markets are pricing in a 96.9% chance for a cut of 25 basis points at the U.S. Federal Reserve's November meeting, according to CME's Fed-Watch Tool. Surprisingly US 10Y yield has not budged much, hovering above 4%; Dollar index is also holding firm abo 104 capping gains for metals on higher side. After slightly better than expected, US preliminary manufacturing and Services PMI data, focus now shifts to US durables goods orders data. Gold on domestic front is expected to trade between the range of 77,500 -78,500.

Precious metals	Close (\$)	%Chg.
Gold	2727.5	-0.3%
Silver	33.55	-0.5%
CFTC data	Speculative Longs	Change WoW
Gold	235284	9001
Silver	35532	788
ETF	Close	%Chg.
GOLD ETF	2032.8	0.41
Silver ETF	26616	95.01
Others	Close	%Chg.
DXY	104.06	0.0%
US 10Y Yields	4.19	-1.0%

Base Metals

Copper prices were dragged down by a stronger US dollar as speculators altered their expectations for Fed rate reduction. In terms of supply and demand, the transition to greener energy has generated concerns about potential copper shortages, as miners struggle to increase production. In September, China's refined copper production increased by 0.4% year on year to 1.14 million metric tons, while imports of unwrought copper increased by 15.4% month on month, indicating higher seasonal demand and a bullish consumption outlook. Despite this increase, import figures remained similar to those from September 2023. Zinc prices touched all-time high in yesterday's session and the market witnessed multiyear high backwardation of \$58, ILZSG expects 164,000-ton supply deficit against previous assessment of 56000 tons surplus, improving demand outlook. Improving Chinese data also supported the up move.

Energy

Crude oil extended gains, as traders continued to pare back geopolitical risk premium amid Israel-Hamas ceasefire talks. Negotiators will meet next week in a renewed effort to end the conflict in Gaza. The US is exploring different options to restart talks, said US Secretary of State, Antony Blinken, in Qatar. This comes on the back of a bearish EIA inventory report, which signalled weak demand in the US. natural gas prices rallied on the consensus for a +66 bcf rise in Thursday's weekly IEA inventory report, which would be less than the 5-year seasonal average rise for the week of +76 bcf. Meanwhile, weather forecasts are mixed. Maxar said the 11-15 day forecast is leaning colder in the West but slightly warmer in the East.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	798	-1.6%
Aluminium	2389	0.4%
Nickel	1398	-1.7%
Lead	181	0.0%
Zinc	295	0.3%

Inventory		Current	W/W Chg.	Units
Copper	LME	278325	-1300	MT
	Shanghai	168425	11940	MT
Aluminum	LME	750350	-2500	MT
	Shanghai	283210	2257	MT
Nickel	LME	135816	720	MT
	Shanghai	24401	211	MT
Lead	LME	191125	-1350	MT
	Shanghai	56235	11669	MT
Zinc	LME	239150	7000	MT
	Shanghai	80077	-637	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	70.44	0.2%
Natural gas	2.55	7.1%

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	
1.0%	210	65	2376.5	76000	468.5	1261	576	9.5%
0.0%	0	0	1796	76500	624	18	23	-4.2%
-4.1%	542	344	1760	77000	768.5	2463	709	12.2%
-18.2%	18	43	1480.5	77500	972.5	224	67	67.5%
9.1%	2076	3835	1230.5	78000	1198.5	3357	699	52.3%
-4.1%	116	228	1022.5	78500	1468.5	4	8	14.3%
10.3%	1064	1977	841	79000	1760.5	128	80	25.0%
22.2%	55	109	682.5	79500	1693.5	0	0	0.0%
8.2%	977	2420	570.5	80000	2422	6	9	12.5%

MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
25.8%	678	1155	399.1	5700	145.4	40654	2261	-9.5%
23.9%	109	211	355.6	5750	166.8	12922	410	-25.6%
10.8%	2722	11018	335.8	5800	189.4	74470	5431	-10.5%
83.9%	649	4110	309.5	5850	215.7	23109	611	-24.7%
45.1%	8081	59902	284.4	5900	242.7	110397	4250	-1.4%
128.6%	2400	22809	262.7	5950	271.9	29118	483	-42.9%
72.7%	13565	133741	242.3	6000	303.8	118363	3945	6.0%
77.3%	2232	30367	223.4	6050	336.4	14465	157	3.3%
86.0%	8737	96045	206	6100	372.4	39269	1222	50.9%

MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-25.0%	9	18	24.25	170	0.05	145	2479	-4.0%
-36.8%	331	674	14.7	180	0.05	8259	5639	-17.9%
-45.9%	3787	16238	6.05	190	0.05	42170	6932	-36.6%
-81.9%	1379	44956	3.25	195	0.05	77253	3749	-24.4%
-75.3%	3237	174958	1.5	200	255	168138	7494	-19.1%
-60.4%	3490	202812	0.7	205	0.05	154781	5606	53.9%
-61.1%	4119	135237	0.3	210	1.1	75312	1444	-76.5%
29.9%	10404	14196	0.1	220	11.05	2758	1928	-27.3%
-10.0%	7637	1443	0.05	230	21.35	704	1639	-7.1%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Oct	6,682	6,607	6,645	6,668	6,706	6,729	Bearish	Moderate	6626 - 6687
Cocudakl	NCDEX	Dec	3,017	2,999	3,008	3,020	3,029	3,041	Bearish	Moderate	3004 - 3025
Cotton	NCDEX	Nov	56,680	56,093	56,387	56,893	57,187	57,693	Bearish	Moderate	56240 - 57040
Dhaniya	NCDEX	Oct	7,342	7,222	7,282	7,330	7,390	7,438	Bearish	Moderate	7252 - 7360
Jeera	NCDEX	Oct	25,015	24,818	24,917	25,068	25,167	25,318	Bearish	Moderate	24868 - 25118
Guar Seed	NCDEX	Oct	5,339	5,270	5,304	5,345	5,379	5,420	Bearish	Moderate	5287 - 5362
Guar Gum	NCDEX	Oct	10,690	10,487	10,588	10,702	10,803	10,917	Bearish	Moderate	10645 - 10860
Mentha Oil	MCX	Oct	939	926	932.80	938	944	949	Strong	Moderate	935 - 947
Turmeric	NCDEX	Oct	13,604	13,427	13,515	13,629	13,717	13,831	Strong	Low	13471 - 13673

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Dec	78327	77691	78009	78250	78568	78809	Bullish	Moderate	78130 - 78689
Gold Comex	Comex	Oct	2735	2726	2731	2733	2738	2740	Bullish	High	2732 - 2739
Silver	MCX	Dec	97032	94669	95851	97215	98397	99761	Bearish	Moderate	95260 - 97806
Silver Comex	Comex	Nov	33.63	32.83	33.23	33.75	34.16	34.68	Bearish	Moderate	33 - 34
Crude	MCX	Oct	5911	5756	5834	5964	6042	6172	Bearish	Moderate	5795 - 6003
Crude Nymex	Nymex	Nov	69.84	67.91	68.88	70.37	71.34	72.83	Bearish	Moderate	68 - 71
Nat Gas	MCX	Oct	209	191	200	205	214	219	Flat	Moderate	202 - 217
BullDex	MCX	Oct	19592	19421	19506	19609	19694	19797	Bearish	Moderate	19558 - 19746
Copper	MCX	Oct	798.15	774	786	799	811	824	Bearish	Moderate	780 - 805
Zinc	MCX	Oct	294.55	287	291	295	299	304	Bullish	High	293 - 302
Lead	MCX	Oct	181	178	179	181	182	183	Bearish	Moderate	180 - 183
Aluminum	MCX	Oct	237.55	232	235	240	242	247	Bearish	Moderate	233 - 241

Navneet Damani

Head Research- Currencies and Commodities

Commodity Disclosure & Disclaimer:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CRCL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

Terms & Conditions:

- This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.
- This material is for the personal information of the authorized recipient and we are not soliciting any action based upon it.
- This report is not to be construed as an offer to sell or solicitation of an offer to buy any commodity or commodity derivative to any person in any jurisdiction where such an offer or solicitation would be illegal.
- It is for the general information of clients of MOFSL. It doesn't constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.
- The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL.
- The report is based on the facts, figures and information that are considered true, correct, reliable and accurate.
- All such information and opinions are subject to change without notice.
- Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.
- We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed.
- Neither MOFSL, nor any person connected with it, accepts any liability arising from the use of this document.
- The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the commodity referred to in this material may go up or down. Past performance is not a guide for future performance.
- Certain transactions including those involving commodity derivatives involve substantial risk and are not suitable for all investors.
- Reports based on technical analysis centers on studying charts of a commodity's price movement and trading volume as opposed to focusing on a commodity's fundamentals and as such may not match with a report on a commodity's fundamentals.
- Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject commodity for which Research Team have expressed their views.
- MOFSL or its associates or Research Analyst or his relatives may have Open Position in subject commodity.
- A graph of daily closing prices of commodities is available at <http://www.moneyline.co.in/>
- Opinions expressed are our current opinions as of the date appearing on this material only. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.
- The commodities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.
- This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.
- The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the commodities mentioned in this document.
- The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein.
- The commodities described herein may or may not be eligible for trade in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
- Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors.
- MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may (a) from time to time, have long or short positions in, and buy or sell the commodities mentioned herein or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodity/ (ies) discussed herein or have other potential conflict of interest with respect to any recommendation and related information and opinions. However the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the commodities mentioned in the research report.
- MOFSL and its associates and Research Analyst have not received any compensation or other benefits in connection with the research report. Compensation of Research Analysts is not based on any brokerage transactions generated by broking activities under Motilal Oswal group.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemang Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities : Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp@grievances@motilaloswal.com.