



Monday, November 11, 2024

## Overview

- China Inflation rate below forecasts at 0.3% in Oct '24
- Base metals inch lower on underwhelming stimulus
- Gold edged lower pressured by strong dollar
- Focus this week- US CPI, PPI and IIP data.

## Precious Metals

Gold prices dropped, logging their steepest weekly decline in over five months, pressured by a stronger dollar and as markets absorbed the implications of Donald Trump's victory and its potential impact on U.S. interest rate expectations. The dollar index gains 0.6% marking a weekly gain hovering around 105. The Federal Reserve last week cut interest rates by 25 basis points, but indicated a cautious approach to further cuts. Trump's victory has fueled questions about whether the Fed may proceed to cut rates at a slower and smaller pace, given the former president's tariff policy. However, Fed Chair Jerome Powell said the election results would have no "near-term" impact on monetary policy. China also disappointed the market in their legislative meeting last week, as they focused on debt related concerns than introducing further stimulus weighing on market. On the physical front, gold demand in India faltered, while Japan and Singapore saw some buying. No major economic data is scheduled later in the day however, focus this week will be on US CPI, PPI, Retail sales and IIP data. Gold on domestic front is expected to trade between the range of 76,800 - 77,800.

Precious metals	Close (\$)	%Chg.
Gold	2669.8	-0.5%
Silver	31.19	-0.3%
CFTC data	Speculative Longs	Change WoW
Gold	221747	-15328
Silver	33073	-8096
ETF	Close	%Chg.
GOLD ETF	2064.2	0.00
Silver ETF	26483	-9.92
Others	Close	%Chg.
DXY	105.00	0.0%
US 10Y Yields	4.31	-1.9%

## Base Metals

Copper declined as markets were disappointed with the prospect for demand after the Chinese government refrained from providing any direct support to its faltering economy and instead focused on hidden debt woes. Top officials in the National People's Congress proposed a CNY 10 trillion debt swap program to take on off-balance-sheet debt from local governments and increase their access to cheaper financing. In turn, the US dollar maintained the majority of its post-election surge on forecasts that higher interest rates will rein in President-elect Trump's expansionary fiscal policies, putting pressure on commodities priced in the greenback and reducing industrial demand from emerging nations. Fed's interest rate cut in November was as expected, but the statement on achieving inflation targets was removed, suggesting a possible pause in interest rate cuts in December. For aluminum, recent rise in aluminum costs was significant, with some companies planning to halt production for maintenance, but the impact on production was limited, and the supply and demand relationship remained relatively stable.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	834	2.8%
Aluminium	2420	2.7%
Nickel	1389	2.1%
Lead	181	-0.3%
Zinc	280	2.2%

Inventory		Current	W/W Chg.	Units
Copper	LME	272400	-125	MT
	Shanghai	139662	-13559	MT
Aluminum	LME	731900	-2500	MT
	Shanghai	269394	-5527	MT
Nickel	LME	150336	3078	MT
	Shanghai	28219	-173	MT
Lead	LME	188225	200	MT
	Shanghai	66298	9932	MT
Zinc	LME	245225	0	MT
	Shanghai	72665	-3412	MT

## Energy

Natural gas gap up on the heels of lower weekend production & a colder late mid-to-late November temperature outlook. Meanwhile, the fast start to European gas storage withdrawal season continues to support prices after data showed a -7.8 BCF/d drawdown at 3685 BCF, have dropped below 2019 levels & are now only 3rd highest in last 5 yrs & potentially days away from falling below 2022. Crude oil prices traded lower week after hitting a high of USD75/bbl. Higher than expected US oil inventories and subdued Chinese oil imports outweighed OPEC's decision to delay planned output hikes by month. Investors also remained concerned around impacts of Trump's promised tariffs on China's economic growth, which may crimp oil demand. Trump's re-election may increase the chance of more US oil production, though this remains a long-term story and depends on the economics of oil drilling. US oil production hit a record high of 13.5mb/d for the week. Further, expectations that the next US administration to renew a clampdown on Iran via tighter sanctions has raised supply concerns in the short-term with tensions intensifying in the Middle East.

Energy	Close (\$)	%Chg.
WTI Crude oil	70.04	-0.4%
Natural gas	2.83	-0.9%

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	143985	48143
Natural Gas	-145947	-13059

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%	286	73	2542	75000	144.5	2425	1641	2.9%	
0.0%	6	0	2179.5	75500	217	89	15	0.0%	
-2.4%	282	221	1719	76000	313	4212	1409	-7.7%	
7.1%	30	18	1408	76500	458	313	120	8.1%	
16.0%	839	5321	1064.5	<b>77000</b>	653	8622	1152	4.4%	
102.4%	255	1272	810	77500	904.5	474	118	15.7%	
12.5%	2048	5995	619	78000	1184	881	860	-1.7%	
4.9%	361	439	477	78500	1783.5	5	31	0.0%	
6.6%	2557	4166	348.5	79000	1965.5	90	518	3.0%	

## MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-0.7%	3035	5132	437.7	5700	25.4	92496	8606	-26.8%	
-3.1%	851	802	388.6	5750	33.9	26154	3494	-9.7%	
-11.2%	3575	29331	348.3	5800	48.2	156355	8910	-44.7%	
-13.9%	1372	10276	306.8	5850	65.8	60028	2959	-31.9%	
49.8%	6479	112113	270.3	<b>5900</b>	89	203864	6215	-55.0%	
284.8%	5456	67086	235.4	5950	115.6	102113	1363	-85.8%	
112.1%	19030	317213	205.9	6000	145.2	322948	7782	-56.0%	
162.2%	6111	102719	177.1	6050	178.5	71155	1133	-66.0%	
79.1%	14322	234441	153.8	6100	213.3	133981	2053	-67.0%	

## MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
0.0%	30	0	32.8	195	1.35	3210	1554	-2.0%	
6.0%	53	97	24.45	205	2.85	9597	1796	17.7%	
-19.9%	343	3794	17.6	215	5.95	14882	2193	-1.0%	
-5.8%	2788	23120	14.6	220	8.05	36537	5249	-6.9%	
-4.8%	1183	27232	12.05	<b>225</b>	255	32022	1611	-20.6%	
-1.4%	6188	65814	9.9	230	13.7	52442	3338	-23.7%	
-11.2%	3552	28088	8.15	235	17.2	13726	1017	-17.7%	
1.8%	3832	15147	5.25	245	24.75	2335	1022	0.1%	
-5.5%	1148	9363	3.45	255	28.9	12	119	-0.8%	

## Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Nov	6,712	6,656	6,684	6,728	6,756	6,800	Bearish	Moderate	6670 - 6742
Cocudakl	NCDEX	Dec	2,972	2,934	2,953	2,984	3,003	3,034	Bearish	Moderate	2944 - 2994
Cotton	NCDEX	Nov	56,070	55,957	56,013	56,057	56,113	56,157	Bearish	Moderate	55985 - 56085
Dhaniya	NCDEX	Nov	7,306	7,207	7,257	7,337	7,387	7,467	Bearish	Moderate	7232 - 7362
Jeera	NCDEX	Nov	25,385	24,545	24,965	25,355	25,775	26,165	Bearish	Moderate	24755 - 25565
Guar Seed	NCDEX	Nov	5,186	5,111	5,149	5,212	5,250	5,313	Bearish	Moderate	5130 - 5231
Guar Gum	NCDEX	Nov	10,417	10,190	10,304	10,489	10,603	10,788	Bearish	Moderate	10247 - 10546
Mentha Oil	MCX	Nov	910	901	905.63	911	915	920	Bearish	Moderate	903 - 913
Turmeric	NCDEX	Dec	13,146	13,018	13,082	13,156	13,220	13,294	Strong	Moderate	13119 - 13257

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Dec	77272	76705	76989	77308	77592	77911	Bearish	Moderate	76847 - 77450
Gold Comex	Comex	Nov	2688	2677	2682	2688	2694	2700	Bearish	Moderate	2679 - 2691
Silver	MCX	Dec	91269	90110	90689	91583	92162	93056	Bearish	Moderate	90400 - 91873
Silver Comex	Comex	Dec	31.45	30.77	31.11	31.64	31.98	32.51	Bearish	Moderate	31 - 32
Crude	MCX	Nov	5956	5818	5887	5984	6053	6150	Bearish	Moderate	5853 - 6019
Crude Nymex	Nymex	Dec	70.11	68.35	69.23	70.55	71.43	72.75	Bearish	Moderate	69 - 71
Nat Gas	MCX	Nov	225	218	222	227	230	236	Bearish	Moderate	220 - 229
BullDex	MCX	Nov	19154	19028	19091	19164	19227	19300	Bearish	Moderate	19060 - 19196
Copper	MCX	Nov	834.40	822	828	838	845	855	Bearish	Moderate	825 - 842
Zinc	MCX	Oct	279.90	275	278	281	284	288	Bearish	Moderate	276 - 283
Lead	MCX	Nov	181	180	181	182	182	183	Bearish	Moderate	181 - 182
Aluminum	MCX	Oct	241.60	236	239	243	246	250	Bearish	Moderate	238 - 245

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