



Monday, November 18, 2024

Overview

- US Retail sales beat forecasts
- Oil prices find support amidst escalating Russia-Ukraine conflict
- Focus this week- Manufacturing and Services PMI from major economies

Precious Metals

Gold prices rose after last week's sharp declines, amidst updates from President Biden's administration increasing the Geo-political premium in market and also as rally in dollar paused. Market participants reacted to reports suggesting that President Biden's administration has allowed Ukraine to use U.S.-made weapons to strike deep into Russia, in a significant reversal of Washington's policy in the Ukraine-Russia conflict. On data front, U.S. retail sales increased slightly more than expected in October, highlighting the economy's resilience. US headline inflation also was reported better than expectations at 2.6% raising questions over Fed's rate cut stance ahead. Governor Powell comments and few other U.S. central bank officials are expected speak this week. Strong U.S. economic and inflation data continue to reshape the debate among Fed policymakers over the pace and extent of rate cuts as investors last week further downgraded their expectations for a rate reduction in December. Markets now see a 62% chance of a 25-basis-point rate cut in December, down from 83% a day before, according to the CME Fed-watch tool. Along with Fed official's comments, focus this week will also be on the preliminary Manufacturing and Services PMI data from major economies.

Precious metals	Close (\$)	%Chg.
Gold	2591.7	1.2%
Silver	30.65	1.4%
CFTC data	Speculative Longs	Change WoW
Gold	197362	-24385
Silver	24061	-9012
ETF	Close	%Chg.
GOLD ETF	2048.2	18.32
Silver ETF	26312	39.69
Others	Close	%Chg.
DXY	106.69	0.0%
US 10Y Yields	4.44	0.1%

Base Metals

Aluminium prices ticked higher, closing the week in green, after China said it would cancel export tax rebates, fuelling worries that a heavy flow of shipments abroad may be curbed. This cut would be effective from December 1st. China exports 4-6 million tons annually of semi-fabricated aluminium, amounting to about 7% of global supply. Data showed that China's factory output growth slowed in October and it was still too early to call a turn in the crisis-hit property sector even though consumers perked up, keeping alive calls for Beijing to top-up its recent blitz of stimulus to revitalise the economy. Retail sales rebounded to 4.8% YoY, up from 3.2% YoY – significantly beating market expectations and our forecasts for a milder uptick. The 4.8% YoY read marked the highest level since the combined January-February read of 5.5% YoY, and helped bring the YTD growth of retail sales from 3.3% YoY to 3.5% YoY. This week, PBoC will meet to fix 1Y and 5Y loan prime rates which will be important to track.

Energy

Natural gas prices saw a gap up opening of 4% on the heels of lower weekend production and a colder later mid to late November temperature outlook. Prices are also getting support from European natural gas prices as inventories remain at level just days after falling below 2019, European natgas inventories have dropped below 2022 levels as well. At 3664 BCF, storage is at the third lowest in the last 5 yrs, down -238 BCF vs last year. The surplus vs the 5-yr avg is +140 BCF, down from a Spring peak of nearly +800 BCF. Oil snapped its three-day relief rally as traders used signs of cooling tensions between Russia and Ukraine to position for an oversupplied market in the coming months. Participants reacted to news that Ukraine is calling for action to force Russia toward peace, even though Ukrainian President Zelenskyy said talks between Germany and Russia will do little to advance “the pursuit of a just peace.” If peace talks do progress and the war were to end, it could lower shipping costs and thus crude prices, particularly if Europe were to begin accepting Russian barrels again. Meanwhile, data from China added to an already gloomy demand picture, with apparent oil consumption in the world’s biggest crude buyer declining year over year. OPEC this week slashed its own demand forecast for the fourth straight month while, on the supply side, the International Energy Agency warned of a 1mbd surplus next year.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	795	-0.3%
Aluminium	2430	-0.4%
Nickel	1341	-1.0%
Lead	179	0.3%
Zinc	277	-0.6%

Inventory		Current	W/W Chg.	Units
Copper	LME	271875	-325	MT
	Shanghai	130465	-9197	MT
Aluminum	LME	718950	-2525	MT
	Shanghai	233681	-35713	MT
Nickel	LME	154434	-18	MT
	Shanghai	28384	-251	MT
Lead	LME	185225	-400	MT
	Shanghai	73343	7045	MT
Zinc	LME	248450	6450	MT
	Shanghai	90661	17996	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	68.25	0.2%
Natural gas	2.99	2.5%

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	
0.0%	0	0	2289.5	72000	124	2369	644	111.1%
0.0%	0	0	1878	72500	180.5	3	2	0.0%
862.5%	154	287	1425	73000	297.5	5452	993	50.2%
0.0%	4	8	992	73500	452.5	508	203	20200.0%
650.5%	1426	10217	761	74000	648	5619	1952	-3.5%
748.8%	348	1533	520	74500	945.5	196	67	-29.5%
45.3%	3151	6742	356	75000	1258	629	1117	-26.7%
-22.3%	380	860	232	75500	1538.5	21	69	-11.5%
6.2%	2356	2739	154	76000	2118.5	57	587	-19.3%

MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-15.6%	569	2522	268.5	5500	0.1	12514	7316	-15.1%
-11.0%	520	1352	219.5	5550	0.1	13719	1413	-21.7%
62.0%	1695	27051	173.1	5600	0.1	53308	9360	-0.3%
199.6%	1354	33114	127.7	5650	1.3	85140	4008	-2.6%
-53.4%	3358	247503	85.9	5700	31.1	274345	2504	-75.9%
-40.6%	1759	314922	52.7	5750	81.8	320136	3374	-33.3%
-49.9%	6588	395395	27.3	5800	132.9	292262	4275	-45.7%
-45.4%	3609	143683	12.9	5850	180.3	47635	945	-66.4%
-48.7%	7684	64015	6.4	5900	229.2	35427	3495	-12.9%

MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-29.0%	22	80	44	205	0.6	3571	1560	-6.6%
-15.8%	80	2369	29.65	215	1.35	14991	4174	62.5%
154.2%	699	21682	17.55	225	3.3	41182	4268	-35.5%
177.8%	4047	66021	14.25	230	4.9	68948	6357	-17.7%
85.0%	3460	46449	11.4	235	255	40404	3853	-16.8%
38.4%	6116	63414	8.65	240	9.7	36594	5336	-51.8%
22.0%	4652	27836	6.55	245	12.85	8500	1993	-55.7%
77.1%	4222	22181	3.7	255	20.15	973	123	-76.2%
-8.1%	2086	5103	1.9	265	29.2	76	62	-47.5%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Nov	6,714	6,572	6,643	6,691	6,762	6,810	Bearish	Moderate	6667 - 6786
Cocudakl	NCDEX	Dec	2,923	2,897	2,910	2,924	2,937	2,951	Bearish	Moderate	2904 - 2931
Cotton	NCDEX	Nov	55,380	54,793	55,087	55,343	55,637	55,893	Bearish	Moderate	54940 - 55490
Dhaniya	NCDEX	Nov	7,460	7,016	7,238	7,374	7,596	7,732	Bearish	Moderate	7306 - 7664
Jeera	NCDEX	Nov	24,860	24,370	24,615	24,895	25,140	25,420	Bearish	Moderate	24755 - 25280
Guar Seed	NCDEX	Nov	5,211	5,084	5,147	5,199	5,262	5,314	Bearish	Moderate	5173 - 5288
Guar Gum	NCDEX	Nov	10,478	10,097	10,287	10,444	10,634	10,791	Bearish	Moderate	10366 - 10713
Mentha Oil	MCX	Nov	916	909	912.27	915	919	922	Flat	Moderate	914 - 920
Turmeric	NCDEX	Dec	13,336	12,865	13,101	13,265	13,501	13,665	Strong	Moderate	13183 - 13583

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Dec	73946	73646	73796	74040	74190	74434	Bearish	Moderate	73721 - 74115
Gold Comex	Comex	Nov	2581	2562	2571	2592	2601	2621	Bearish	Moderate	2567 - 2596
Silver	MCX	Dec	88421	87443	87932	88799	89288	90155	Bearish	Moderate	87688 - 89044
Silver Comex	Comex	Dec	30.43	29.89	30.16	30.53	30.80	31.17	Bearish	Moderate	30 - 31
Crude	MCX	Nov	5679	5585	5632	5719	5766	5853	Bearish	Moderate	5609 - 5743
Crude Nymex	Nymex	Dec	66.92	65.58	66.25	67.38	68.05	69.18	Bearish	Moderate	66 - 68
Nat Gas	MCX	Nov	238	223	230	235	242	246	Bearish	Moderate	232 - 244
BullDex	MCX	Nov	18416	18303	18359	18430	18486	18557	Bearish	Moderate	18331 - 18458
Copper	MCX	Nov	795.15	782	789	801	807	820	Bearish	Moderate	785 - 804
Zinc	MCX	Oct	276.75	270	273	279	283	289	Bearish	Moderate	272 - 281
Lead	MCX	Nov	179	177	178	179	180	181	Bearish	Moderate	178 - 180
Aluminum	MCX	Oct	242.65	233	238	243	248	254	Bullish	High	241 - 251

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