



Monday, December 02, 2024

Overview

- Gold weighed down as Trump threatens higher tariffs on BRICS
- Oil up on China recovery hopes, eyes on OPEC meeting
- Focus this week- PMI figures, US employment data

Precious Metals

Gold prices gained towards the end of last week, amidst drop in Dollar index and Geo-political tensions however, bullion was still set for its worst monthly loss since Sept'23, after a post-election sell off. Russia launched its second major strike on Ukraine's energy infrastructure last week, and also threatened to attack areas in Kyiv with advanced ballistic missiles. In Middle East, doubts emerged over a recent Israel-Hezbollah ceasefire after the two accused each other of violating the truce. Market participants were seen booking their profits after a rally witnessed in the holiday shortened week. Prospect of higher tariffs under President-elect Donald Trump administration could keep interest rates higher for longer loomed, also weighing on metals. Trump over the weekend demanded that the BRICS countries commit to not creating a new currency or supporting another currency that would replace the U.S. dollar or face 100% tariffs. Continuous change in Fed interest rate expectations for the month of Dec'24 is also keeping the market participants on edge and also keeping volatility high in Dollar index. According to the CME Group's Fed-Watch Tool, markets currently see a 65.4% chance of a 25-basis-points rate cut in December. Major U.S. data due this week includes U.S. job openings, the ADP employment report and the payrolls report. Few Fed officials are due to speak this week, including Fed Chair Jerome Powell.

Precious metals	Close (\$)	%Chg.
Gold	2627.8	-1.0%
Silver	30.19	-1.4%
CFTC data	Speculative Longs	Change WoW
Gold	190324	-7038
Silver	25896	1835
ETF	Close	%Chg.
GOLD ETF	2020.2	0.93
Silver ETF	26338	-45.36
Others	Close	%Chg.
DXY	105.74	0.5%
US 10Y Yields	4.21	-1.1%

Base Metals

Metals ended the previous trading session in the green amidst growing suspicion that Beijing may implement extra stimulus measures to boost economic development and mitigate the potential impact of US President-elect Donald Trump's proposed tariffs. RUSAL announced a phased reduction of 250,000 tons in aluminum production due to record-high alumina costs, which have risen to more than \$700/ton since the beginning of 2024. Over the weekend, NBS data showed China manufacturing data improved and stayed above 50. Caixin China General Manufacturing PMI also rose to 51.5 in November 2024 from 50.3 in October, surpassing market estimates of 50.5 and marking the second straight month of increase. It was also the strongest expansion in factory activity since June, driven by the strongest growth in foreign orders since February 2023 and a renewed rise in exports. Moreover, output growth accelerated, hitting its highest level in five months. Markets are anticipating significant events in China, such as the Politburo meeting in early December and the Central Economic Work Conference in mid-December, which will likely include economic policy announcements.

Energy

Natural gas prices saw a gap down opening in early morning session after weekend weather forecast showed a warm forecast, pressuring prices. GFS showed that temperatures will be unseasonably chilly this week however; the 14-day Gas-Weighted Degree Day trended somewhat lower over the weekend due to a warming trend by mid-December. Meanwhile, Oil prices remained steady as investors monitored developments regarding OPEC's production strategy following a four-day postponement of a critical virtual meeting, scheduled for Dec. 5. OPEC+ delegates said earlier this week that talks have begun on delaying restoring output again. The market appears to be brushing off concerns that delay in OPEC+ meeting signals internal disagreements within group. Heightened tensions between Russia and Ukraine- following debilitating series of strikes against Kyiv- provided limited support to crude, while overall trading volumes were limited on account of the U.S. Thanksgiving holiday. On economic data front participants will keep a watch on Major U.S. data due this week includes U.S. job openings, the ADP employment report and the payrolls report.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	824	-0.3%
Aluminium	257 ^P	-3.3%
Nickel	1352	0.1%
Lead	178	0.0%
Zinc	286	-1.6%

Daily LME Inventory		Current	W/W Chg.	Units
Copper	LME	270525	1475	MT
	Shanghai	120236	-10229	MT
Aluminum	LME	698475	-2500	MT
	Shanghai	231854	-1827	MT
Nickel	LME	159966	1014	MT
	Shanghai	27251	-107	MT
Lead	LME	271575	-800	MT
	Shanghai	52796	-20547	MT
Zinc	LME	268625	7725	MT
	Shanghai	86140	-4521	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	68.44	0.3%
Natural gas	3.25	4.7%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	428.45	0.79	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	108132	-17810
Natural Gas	-123292	14012

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%	28	16	2534	74000	251	2720	789	-13.4%
1200.0%	26	28	2347.5	74500	343.5	238	49	-27.9%
1.7%	363	791	1773	75000	455.5	5165	1504	6.8%
-15.5%	49	148	1472	75500	603	863	203	-10.6%
-24.9%	881	4858	1207.5	76000	771.5	6708	927	22.0%
152.4%	212	1869	977.5	76500	997	496	78	310.5%
3.8%	1267	9227	781.5	77000	1229	1955	517	13.4%
-23.4%	36	602	616	77500	1596.5	4	5	400.0%
9.8%	2319	8818	481	78000	1835.5	163	191	8.5%

MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-15.2%	715	9813	313.1	5600	71.5	98076	7113	2.5%
78.6%	711	4501	275.4	5650	86	25346	1457	-4.1%
16.5%	4143	52095	242.8	5700	102.9	127347	6525	0.6%
-25.0%	1242	25244	212.2	5750	122.1	52205	3636	64.3%
33.2%	14789	225620	183.4	5800	145.9	258379	9670	2.2%
14.2%	5794	94938	157.6	5850	170.7	88133	1900	-23.1%
16.0%	15249	194829	134.2	5900	199.2	143827	4292	0.9%
13.4%	4549	42558	113	5950	229.1	16818	822	10.3%
5.6%	25456	176664	94.7	6000	264.1	40419	1776	-19.9%

MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
2.6%	475	190	36.65	250	7.1	10598	3129	35.9%
-9.5%	446	568	30.35	260	10.4	9753	1705	-5.4%
-37.8%	719	10230	25	270	14.5	18619	2378	1.0%
-43.7%	423	9856	22.6	275	17.1	10131	1144	21.8%
-16.7%	2351	36694	20.55	280	255	28986	2890	18.5%
-8.9%	968	14993	18.55	285	22.4	8392	466	55.3%
-2.1%	2829	19711	16.75	290	25.4	8118	1126	-5.4%
-13.4%	3852	20474	13.65	300	31.9	1173	941	-1.5%
-22.1%	1109	7635	11.1	310	40.6	15	181	0.0%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Dec	6,494	6,378	6,436	6,471	6,529	6,564	Bearish	Moderate	6454 - 6547
Cocudakl	NCDEX	Dec	2,727	2,694	2,710	2,735	2,751	2,776	Bearish	Moderate	2702 - 2743
Cotton	NCDEX	Jan	55,780	55,620	55,700	55,800	55,880	55,980	Bearish	Moderate	55750 - 55930
Dhaniya	NCDEX	Dec	7,812	7,496	7,654	7,764	7,922	8,032	Bearish	Moderate	7709 - 7977
Jeera	NCDEX	Nov	25,255	24,628	24,942	25,163	25,477	25,698	Bearish	Moderate	25053 - 25588
Guar Seed	NCDEX	Dec	5,158	5,101	5,130	5,167	5,196	5,233	Bearish	Moderate	5149 - 5215
Guar Gum	NCDEX	Dec	10,061	9,931	9,996	10,090	10,155	10,249	Bearish	Moderate	9964 - 10123
Mentha Oil	MCX	Dec	910	906	908.13	910	912	913	Flat	Moderate	909 - 912
Turmeric	NCDEX	Dec	13,552	13,160	13,356	13,518	13,714	13,876	Bearish	Moderate	13437 - 13795

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Dec	77128	76797	76963	77105	77271	77413	Bullish	High	77034 - 77342
Gold Comex	Comex	Nov	2657	2604	2630	2647	2674	2691	Strong	Low	2639 - 2682
Silver	MCX	Dec	91209	90154	90681	91284	91811	92414	Flat	Moderate	90983 - 92113
Silver Comex	Comex	Dec	30.84	29.35	30.09	30.58	31.33	31.82	Flat	Moderate	30 - 32
Crude	MCX	Dec	5814	5711	5762	5834	5885	5957	Flat	Moderate	5737 - 5860
Crude Nymex	Nymex	Dec	67.72	66.49	67.11	68.21	68.83	69.93	Bearish	Moderate	67 - 69
Nat Gas	MCX	Nov	283	274	279	283	287	291	Bullish	High	281 - 289
BullDex	MCX	Nov	18845	18796	18821	18844	18869	18892	Flat	Moderate	18833 - 18881
Copper	MCX	Nov	823.95	815	819	826	830	837	Bullish	High	822 - 833
Zinc	MCX	Nov	286.35	285	285	286	287	288	Bullish	High	286 - 288
Lead	MCX	Nov	180	179	180	180	181	182	Strong	Moderate	180 - 182
Aluminum	MCX	Nov	257.25	246	251	256	262	266	Bullish	High	249 - 259

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