



Tuesday, December 10, 2024

Overview

- China Politburo unveils loose monetary policy stance
- Gold supported by geopolitical tensions and shift in China policy
- Focus this week will be on US inflation and PPI data.

Precious Metals

Gold prices hit two-week highs, climbing more than 1% on renewed buying of the metal by China's central bank following a six-month pause, along with rising rate cut expectations in the last Fed meet of this year scheduled next week. The resumption of Chinese buying may support investor demand in the country. In 2023, China was the world's largest official sector buyer of gold, but the PBOC paused its 18-month buying streak in May. The U.S. Fed started its interest rate easing cycle with an unusually large 50 basis point cut in September, followed by a 25bp cut in November. Traders are pricing an 86% chance of another quarter-percentage-point rate cut from the central bank at its Dec. 17-18 meeting. Turbulence in the Middle East increased over the weekend as Syrian rebels took control of Damascus following a 13-year civil war, forcing President Bashar al-Assad to flee to Russia. Positive comments from Chinese politburo also supported an up move in industrial metals including Silver. No major data point is expected on the calendar today. Gold on domestic front is expected to trade in a range of ₹77,200-78,200

Precious metals	Close (\$)	%Chg.
Gold	2668.9	0.4%
Silver	31.97	0.5%
CFTC data	Speculative Longs	Change WoW
Gold	201397	3206
Silver	24893	1660
ETF	Close	%Chg.
GOLD ETF	2010.0	-19.46
Silver ETF	26313	-58.11
Others	Close	%Chg.
DXY	106.15	0.0%
US 10Y Yields	4.19	1.1%

Base Metals

Copper rose to its highest level in a month, tracking the rise for base metals, as hints of large-scale economic stimulus from China raised the forecast for industrial demand from the world's largest copper consumer. The Politburo announced that China will adopt a "moderately loose" monetary policy and a "more proactive" fiscal stimulus approach next year, in stark contrast to the more cautious and careful rhetoric used over the previous decade. This increased the likelihood that the higher scale of economic support will continue to gain traction in China's manufacturing, outweighing the prospect of sanctions from US President-elect Trump. The country still struggles with deflation concerns as the annual inflation rate unexpectedly eased to 0.2% in November 2024 from 0.3% in the previous month, falling short of market forecasts of 0.5% and marking the lowest figure since June. Elsewhere, domestic smelter production for zinc increased more than expected in key regions such as Qinghai, Inner Mongolia, Xinjiang, and Hunan.

Energy

Oil climbed as China's leaders used their most direct language on stimulus in years as China's leaders vowed to embrace a "moderately loose" monetary policy in 2025, signaling more rate cuts ahead and shifting from a "prudent" strategy that's held for 14 years. Easing monetary policy in China lifted oil's demand outlook. Traders are also keeping an eye on developments in the Middle East. Traders are also keeping an eye on developments in the Middle East to see just what a regime change will entail for Syria and the Middle East, especially in the area of oil production. While Syria's output almost entirely eroded by a long-running civil war, production could increase under a more moderate government. On the other hand, Iran's softer hold on the Middle East could embolden the incoming Donald Trump administration in the US to impose harsher restrictions on the country, limiting supplies. Syria's uncertain situation adds to ongoing geopolitical tensions caused by the Israel-Hamas war, as well as the Ukraine/Russia conflict. No major data point is expected on the calendar today.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	831	0.2%
Aluminium	2440	-1.2%
Nickel	1371	0.2%
Lead	181	0.2%
Zinc	292	-1.0%

Daily LME Inventory		Current	W/W Chg.	Units
Copper	LME	269800	0	MT
	Shanghai	97756	-11019	MT
Aluminum	LME	681600	-3000	MT
	Shanghai	224376	-3425	MT
Nickel	LME	166422	1158	MT
	Shanghai	30517	938	MT
Lead	LME	271300	-75	MT
	Shanghai	48266	-321	MT
Zinc	LME	278125	-725	MT
	Shanghai	52983	-24001	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	68.11	0.0%
Natural gas	3.19	3.3%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	423.38	-4.28	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	116434	4830
Natural Gas	-72717	-11000

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		
-13.3%	39	77	1294.5	75500	304	1721	342	64.4%	
-36.8%	818	4661	1007	76000	450	15594	2645	77.6%	
-63.8%	242	3091	777	76500	640.5	2809	317	366.2%	
-53.7%	1769	19935	579.5	77000	876	7527	1115	32.9%	
24.2%	298	4314	433	77500	1050	1	5	25.0%	
-9.0%	3479	13660	315.5	78000	1466	536	230	28.5%	
126.2%	95	484	227	78500	1863.5	0	1	0.0%	
12.1%	1373	5144	174	79000	2194	23	49	25.6%	
0.0%	0	0	113	79500	2667	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-43.6%	2269	46627	175.1	5600	17.4	125595	12094	3.2%	
-50.7%	1238	37543	141.5	5650	25	98541	7453	9.5%	
-46.4%	6565	175467	113.4	5700	37	239685	15951	20.1%	
-53.1%	3440	111375	89.1	5750	52.7	143205	6491	84.1%	
-39.7%	18954	363477	67.5	5800	72.9	297895	16302	57.6%	
-20.1%	10792	135643	49.9	5850	98.7	74785	3098	15.5%	
-23.8%	24698	213534	36.3	5900	129.5	117182	6371	24.6%	
-8.7%	8254	63450	28.4	5950	164.5	19794	1397	6.3%	
-11.0%	31922	142438	20.6	6000	204.7	36729	1944	-13.8%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-19.0%	115	97	33.85	230	0.9	8481	5232	-2.6%	
-26.7%	491	859	26.35	240	1.95	12992	6562	19.9%	
-11.3%	1673	2945	19.95	250	4	23705	6027	13.1%	
-21.5%	681	2221	17.35	255	5.5	14974	2942	50.0%	
-40.5%	2368	17059	14.85	260	255	37268	5223	41.8%	
-61.6%	993	17295	12.8	265	9.7	20387	1498	28.0%	
-12.3%	5217	54889	11	270	12.3	52369	3293	76.7%	
-6.2%	4852	37618	8.1	280	18.55	12383	1185	-17.4%	
-22.5%	4092	22074	5.95	290	25.55	2836	521	-32.9%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Dec	6,458	6,383	6,420	6,470	6,507	6,557	Bearish	Moderate	6445 - 6532
Cocudakl	NCDEX	Dec	2,718	2,686	2,702	2,729	2,745	2,772	Bearish	Moderate	2694 - 2737
Cotton	NCDEX	Jan	55,280	55,227	55,253	55,277	55,303	55,327	Bearish	Moderate	55240 - 55290
Dhaniya	NCDEX	Dec	7,844	7,684	7,764	7,842	7,922	8,000	Bearish	Moderate	7724 - 7882
Jeera	NCDEX	Nov	24,075	23,778	23,927	24,063	24,212	24,348	Bearish	Moderate	23995 - 24280
Guar Seed	NCDEX	Dec	5,155	5,109	5,132	5,171	5,194	5,233	Bearish	Moderate	5121 - 5183
Guar Gum	NCDEX	Dec	10,146	10,031	10,089	10,190	10,248	10,349	Bearish	Moderate	10060 - 10219
Mentha Oil	MCX	Dec	922	917	919.57	925	927	932	Bearish	Moderate	918 - 926
Turmeric	NCDEX	Dec	13,906	13,671	13,789	13,947	14,065	14,223	Bearish	Moderate	13730 - 14006

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Dec	77486	76110	76798	77299	77987	78488	Bullish	High	77049 - 78238
Gold Comex	Comex	Nov	2665	2611	2638	2658	2684	2704	Strong	Moderate	2648 - 2694
Silver	MCX	Dec	95197	90432	92814	94363	96745	98294	Bullish	High	93589 - 97520
Silver Comex	Comex	Dec	32.32	30.49	31.41	32.03	32.94	33.56	Bullish	Moderate	32 - 33
Crude	MCX	Dec	5825	5660	5742	5796	5878	5932	Bearish	Moderate	5769 - 5905
Crude Nymex	Nymex	Dec	68.09	66.10	67.10	67.84	68.84	69.58	Flat	Moderate	67 - 69
Nat Gas	MCX	Nov	272	261	266	271	276	281	Bullish	High	269 - 279
BullDex	MCX	Nov	19112	18612	18862	19006	19256	19400	Bullish	Moderate	18934 - 19328
Copper	MCX	Nov	831.05	812	822	828	837	843	Bullish	High	825 - 840
Zinc	MCX	Nov	291.70	283	287	290	294	297	Bullish	High	289 - 296
Lead	MCX	Nov	181	179	180	181	183	184	Bearish	Moderate	181 - 183
Aluminum	MCX	Nov	243.70	241	242	244	245	247	Bearish	Moderate	243 - 246

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