



Wednesday, December 11, 2024

Overview

- Gold price edge higher on rising rate cut expectations
- China kicks off CEWC, to discuss growth and stimulus plans
- Metals gain as China policy stance shift lifts sentiments
- Focus today will be on US inflation data.

Precious Metals

Gold prices jumped breaching \$2700 once again, extending recent gains as heightened geopolitical tensions in Syria, firm dollar index and rising rate cut expectations is supporting prices. Rebel forces took Syria's capital Damascus over the weekend, ending the reign of President Bashar al-Assad, who fled to Russia. Syria's regime change has ties to the Sunni Islamic sect, potentially putting the country at odds with Iran. Israel was also seen launching an offensive against Syria. Dollar index is holding firm above 106, even as safe haven assets rise showing signs of distress in market. Fed is all set to meet for its last policy meeting of this year next week where along with interest rate decision, dot plot and economic forecast figures. Market participants are discounting a 85% probability for a 25bps rate cut in Dec'24 meeting. Recent reports regarding China resuming its gold buying and increasing reserves is also supported the overall sentiment. Focus today will be on US CPI data which if is reported less than expectations it could further support bullions. Gold on domestic front is expected to trade in a range of ₹78,200- 79,200

Precious metals	Close (\$)	%Chg.
Gold	2700.0	0.2%
Silver	31.96	0.2%
CFTC data	Speculative Longs	Change WoW
Gold	201397	3206
Silver	24893	1660
ETF	Close	%Chg.
GOLD ETF	2011.8	1.75
Silver ETF	26232	-80.28
Others	Close	%Chg.
DXY	106.40	-0.1%
US 10Y Yields	4.24	0.5%

Base Metals

Metal prices remained near recent highs, boosted by optimism after China announced extra measures to revive its slowing economy. Chinese authorities began the annual, closed-door Central Economic Work Conference, where they would establish economic targets and discuss stimulus plans until 2025. Earlier this week, the Politburo pledged to take a "moderately loose" attitude on monetary policy and a "more proactive" approach to fiscal stimulus next year, suggesting a striking change from the cautious rhetoric of the previous decade. These changes occur as China faces persistent economic issues and prepares for the potential consequences of a second Trump presidency. On the production side, In December 2024, smelter production is predicted to rise by more than 20,000 metric tons month on month (MoM), or 5%, as higher-than-expected output from regions like as Qinghai, Inner Mongolia, and Shaanxi offsets losses in other places. Despite this rebound, total domestic refined zinc production for 2024 is down more than 6% year on year (YoY). Updates and announcements from the meeting will be crucial to track and any positive announcements will be beneficial for metal prices.

Energy

Natural Gas prices witnessed selling pressure with traders grappling with whether potential supply stability and higher January demand for natural gas will be enough to counter persistent bearish momentum. Colder weather forecasts have sparked concerns about increased storage withdrawals, but uncertainty continues to weigh heavily on the market. Oil edged higher as the outlook for bolder stimulus in China next year countered weak trade data from the world's biggest crude importer. China's Central Economic Work Conference, which is set to begin, now expected to provide more insight into plans for stimulus. Additionally, China's crude imports also grew annually for the first time in seven months, jumping in Nov from a year earlier. Meanwhile, prices saw a higher risk premium after rebel forces ousted Syrian President Bashar al-Assad and installed a new regime, ending a 13-year civil war. Traders are now looking ahead to market outlooks from OPEC and the IEA later this week, as well as inventory data along with US consumer price index data, the final major reading before the Fed's policy meeting.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	831	1.1%
Aluminium	2450	0.2%
Nickel	1361	-0.7%
Lead	181	-0.2%
Zinc	293	1.9%

Daily LME Inventory		Current	W/W Chg.	Units
Copper	LME	268100	-1700	MT
	Shanghai	97756	-11019	MT
Aluminum	LME	679600	-2000	MT
	Shanghai	224376	-3425	MT
Nickel	LME	165810	-612	MT
	Shanghai	30949	432	MT
Lead	LME	268550	-2750	MT
	Shanghai	48266	-321	MT
Zinc	LME	277050	-1075	MT
	Shanghai	52983	-24001	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	69.01	0.7%
Natural gas	3.20	-0.6%

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		
-11.4%	725	1757	1419.5	76000	236.5	11799	3215	21.6%	
-43.0%	138	914	1131.5	76500	347	3539	655	106.6%	
-34.8%	1153	16620	875	77000	500.5	15809	3078	176.1%	
-7.0%	277	7478	669	77500	703	2088	819	16280.0%	
-12.8%	3034	23282	492	78000	954	2693	857	272.6%	
87.4%	178	1457	355.5	78500	1294.5	8	7	600.0%	
17.8%	1617	9659	250.5	79000	1613.5	44	63	28.6%	
0.0%	6	12	173	79500	2043.5	0	0	0.0%	
12.6%	1856	5566	122	80000	2479	9	13	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-2.6%	2211	41758	240.5	5600	10.2	132214	13096	8.3%	
-9.8%	1117	28532	199.1	5650	14.3	96748	8567	14.9%	
-0.5%	6530	164929	160.5	5700	23.4	272673	19566	22.7%	
-33.7%	2282	140995	127.1	5750	36.4	211797	9409	45.0%	
-9.6%	17125	491317	98.5	5800	53.9	454482	23503	44.2%	
-12.4%	9451	187350	73.2	5850	76.5	138062	4680	51.1%	
-11.3%	21905	289285	54.1	5900	105.5	178539	8756	37.4%	
-13.5%	7143	95737	40.5	5950	139	36392	2360	68.9%	
-6.3%	29898	187854	29.5	6000	179.4	47931	2683	38.0%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
20.9%	139	82	42.95	230	1	8649	4813	-8.0%	
13.4%	557	550	33.4	240	2.15	17866	7209	9.9%	
10.1%	1842	5639	25.6	250	4.55	31318	6436	6.8%	
16.9%	796	7393	22.2	255	6.45	16198	2785	-5.3%	
17.4%	2781	36415	19	260	255	54027	5750	10.1%	
84.4%	1831	38628	16.3	265	11.2	35967	2016	34.6%	
26.2%	6583	60682	13.9	270	14	40922	3471	5.4%	
15.3%	5595	28819	10.1	280	20.65	7352	1226	3.5%	
14.3%	4678	20297	7.35	290	28	961	547	5.0%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Dec	6,368	6,300	6,334	6,391	6,425	6,482	Bearish	Moderate	6317 - 6408
Cocudakl	NCDEX	Dec	2,715	2,685	2,700	2,715	2,730	2,745	Bearish	Moderate	2693 - 2723
Cotton	NCDEX	Jan	54,710	54,130	54,420	54,900	55,190	55,670	Bearish	Moderate	54275 - 55045
Dhaniya	NCDEX	Dec	7,940	7,787	7,863	7,917	7,993	8,047	Bearish	Moderate	7890 - 8020
Jeera	NCDEX	Nov	24,320	23,927	24,123	24,262	24,458	24,597	Bearish	Moderate	24193 - 24528
Guar Seed	NCDEX	Dec	5,143	5,116	5,130	5,151	5,165	5,186	Bearish	Moderate	5123 - 5158
Guar Gum	NCDEX	Dec	10,138	10,043	10,090	10,148	10,195	10,253	Bearish	Moderate	10067 - 10172
Mentha Oil	MCX	Dec	921	916	918.57	921	923	926	Bearish	Moderate	918 - 922
Turmeric	NCDEX	Dec	14,038	13,697	13,867	13,983	14,153	14,269	Bearish	Moderate	13925 - 14211

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Dec	78338	77095	77716	78042	78663	78989	Bullish	Moderate	77879 - 78826
Gold Comex	Comex	Nov	2698	2648	2673	2686	2710	2723	Bullish	High	2679 - 2717
Silver	MCX	Dec	95525	94002	94763	95244	96005	96486	Bullish	High	95004 - 96246
Silver Comex	Comex	Dec	32.46	31.87	32.17	32.33	32.63	32.79	Bullish	High	32 - 33
Crude	MCX	Dec	5845	5716	5780	5824	5888	5932	Strong	Moderate	5802 - 5910
Crude Nymex	Nymex	Dec	68.27	66.88	67.57	68.15	68.84	69.42	Flat	Moderate	68 - 69
Nat Gas	MCX	Nov	268	257	262	266	272	276	Bullish	Moderate	260 - 269
BullDex	MCX	Nov	19241	18963	19102	19190	19329	19417	Bullish	High	19146 - 19373
Copper	MCX	Nov	830.65	821	826	829	834	836	Bullish	Moderate	827 - 835
Zinc	MCX	Nov	292.75	288	291	292	294	295	Bullish	High	291 - 295
Lead	MCX	Nov	181	180	180	181	181	182	Bearish	Moderate	180 - 181
Aluminum	MCX	Nov	245.45	242	244	245	246	248	Flat	Moderate	244 - 247

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