



Thursday, December 12, 2024

Overview

- US Inflation in line with expectations at 2.7%
- Gold prices hold gains on rising rate cut expectations
- China stimulus uncertainty weigh on metals
- Focus today will be on ECB Interest Rate decision and US PPI.

Precious Metals

Gold surged past \$2700 in yesterday's session after inflation print came in slightly mixed, however, market participants continued to discount one more rate cut in December's Fed meeting supporting bullions. The U.S. consumer prices rose 0.3% on a monthly basis in November, data from the Labor Department showed. Annually, it climbed 2.7% after increasing 2.6% in October however, the Core inflation was reported in-line with expectations. Market participants see a 95% chance of one more 25-basis-point cut at the Fed's Dec. 17-18 meeting, compared with an about 86% chance seen before the inflation report, CME's Fed-Watch Tool showed. Distress is also rising amidst geo-political tensions especially in Middle East with Syria also now in picture. Rebel forces took Syria's capital Damascus ending the reign of President Bashar al-Assad, who fled to Russia. China's central bank increasing their Gold reserve once again has also supported sentiment. Any change in rate cut expectations could increase volatility in prices. Market participants today will be keeping an eye on US PPI data for further clarity on Fed's rates decision, scheduled next week. Gold on domestic front is expected to trade in a range of ₹78,200- 79,200

| Precious metals | Close (\$) | %Chg. |
|-----------------|-------------------|------------|
| Gold | 2703.7 | -0.5% |
| Silver | 31.87 | -0.1% |
| CFTC data | Speculative Longs | Change WoW |
| Gold | 201397 | 3206 |
| Silver | 24893 | 1660 |
| ETF | Close | %Chg. |
| GOLD ETF | 2017.0 | 5.26 |
| Silver ETF | 26062 | -170.64 |
| Others | Close | %Chg. |
| DXY | 106.71 | -0.1% |
| US 10Y Yields | 4.28 | 1.2% |

Base Metals

Metals had a volatile trading session, with most metals edging higher and then losing some of those gains. According to reports, the Chinese government is willing to weaken the yuan next year in reaction to tariff threats from the next US presidential administration, consistent with its earlier vow to ease monetary policy. China is willing to let the yuan weaken through next year, aiding the transmission of looser monetary policy and supporting firms' competitiveness in foreign markets amid tariff threats from the US. A weakening yuan would reduce the cost of refined copper exports from China, the world's largest producer, lowering the metal's relative price on dollar-denominated commodity exchanges. Industrial metals were also affected by ongoing doubts about whether Beijing will follow through on this week's promises of large-scale economic assistance. The CEWC meeting is expected to conclude today and any further updates will be important to track.

Energy

Oil prices retain strength, as sentiment remained boosted by the expectation of stimulus measures in top importer China, even as a group of top producers cut its forecasts for demand growth in 2024 and 2025. Market participants are keeping an eye on Central Economic Work Conference, which began earlier Wednesday and runs for two days, expected to offer more cues. Prices traded positive despite negative forecast by OPEC, which released its most bearish report yet. The global Oil demand outlook for 2025 revised sharply to the downside. The news that the US is mulling additional Oil embargoes for Russian production did not help either, as it has the potential to weigh on prices. EIA inventory data showed a mixed picture with a decline of 1.4 Mbs. In fuels, however, the EIA estimated sizable builds. The crude oil inventory figure compared with a draw of 5.1 Mbs for the previous week that pushed prices higher for a while but the gains soon erased by the now chronic perception of weak global demand growth prospects. Natural gas prices rallied sharply to a 2-week high after forecasts turned colder for the eastern half of the US for late December, signaling increased heating demand for gas. For today, market participants will keep a watch on natural gas inventory data due in the evening.

| Base Metals (MCX) | Close (Rs.) | %Chg. |
|-------------------|-------------|-------|
| Copper | 830 | 0.0% |
| Aluminium | 2450 | 0.7% |
| Nickel | 1359 | -0.1% |
| Lead | 179 | -0.7% |
| Zinc | 291 | 0.4% |

| Daily LME Inventory | | Current | W/W Chg. | Units |
|---------------------|----------|---------|----------|-------|
| Copper | LME | 268500 | 400 | MT |
| | Shanghai | 97756 | -11019 | MT |
| Aluminum | LME | 677600 | -2000 | MT |
| | Shanghai | 224376 | -3425 | MT |
| Nickel | LME | 166506 | 696 | MT |
| | Shanghai | 30238 | -711 | MT |
| Lead | LME | 266575 | -1975 | MT |
| | Shanghai | 48266 | -321 | MT |
| Zinc | LME | 274950 | -2100 | MT |
| | Shanghai | 52983 | -24001 | MT |

| Energy | Close (\$) | %Chg. |
|---------------|------------|-------|
| WTI Crude oil | 70.28 | -0.1% |
| Natural gas | 3.37 | 6.4% |

| 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 | |
| -15.7% | 972 | 4961 | 1227 | 77000 | 361.5 | 20081 | 3062 | -0.5% |
| -26.0% | 205 | 2623 | 947.5 | 77500 | 528 | 7800 | 402 | -50.9% |
| -33.7% | 2013 | 20896 | 710.5 | 78000 | 741 | 11092 | 1303 | 52.0% |
| 155.6% | 455 | 6808 | 515.5 | 78500 | 1103.5 | 4 | 8 | 14.3% |
| 4.9% | 1697 | 15447 | 368 | 79000 | 1296 | 1215 | 229 | 263.5% |
| 4100.0% | 252 | 1700 | 233.5 | 79500 | 1608.5 | 0 | 0 | 0.0% |
| 17.1% | 2173 | 11637 | 173.5 | 80000 | 2034.5 | 65 | 25 | 92.3% |
| 0.0% | 0 | 0 | 131.5 | 80500 | 2390.5 | 0 | 0 | 0.0% |
| 15.0% | 1040 | 5119 | 72 | 81000 | 2824 | 0 | 0 | 0.0% |

MCX Crude Oil

| % Chg in OI | Call | | Particulars | | | Put | | % Chg in OI |
|-------------|-------|--------|-------------|-------------|---------|--------|-------|-------------|
| | OI | Volume | Premium | Strike | Premium | Volume | OI | |
| -3.6% | 6292 | 62303 | 168 | 5700 | 10.8 | 159621 | 22501 | 15.0% |
| -14.3% | 1956 | 43823 | 131.4 | 5750 | 16.3 | 116634 | 12661 | 34.6% |
| -47.7% | 8953 | 264798 | 99.9 | 5800 | 26.3 | 416412 | 32366 | 37.7% |
| -53.1% | 4430 | 203210 | 72.5 | 5850 | 39 | 255092 | 12563 | 168.4% |
| -12.2% | 19231 | 484953 | 51.1 | 5900 | 55.8 | 424467 | 21445 | 144.9% |
| -31.7% | 4881 | 189688 | 35.7 | 5950 | 78.7 | 111269 | 4861 | 106.0% |
| -20.1% | 23903 | 314575 | 24.3 | 6000 | 108.5 | 158108 | 6770 | 152.3% |
| 6.3% | 7713 | 87104 | 16 | 6050 | 143.6 | 28684 | 914 | 321.2% |
| -4.6% | 12311 | 115778 | 11 | 6100 | 184.6 | 26688 | 1343 | 219.8% |

MCX Natural Gas

| % Chg in OI | Call | | Particulars | | | Put | | % Chg in OI |
|-------------|------|--------|-------------|------------|---------|--------|------|-------------|
| | OI | Volume | Premium | Strike | Premium | Volume | OI | |
| -31.9% | 542 | 1712 | 19.2 | 255 | 2.8 | 13687 | 4998 | 79.5% |
| -46.4% | 982 | 11642 | 13.85 | 265 | 5.3 | 26606 | 5708 | 183.1% |
| -14.8% | 2438 | 33640 | 9.95 | 275 | 9.05 | 35324 | 3969 | 355.7% |
| -5.2% | 5304 | 67039 | 8.4 | 280 | 11.35 | 49533 | 5294 | 331.8% |
| 34.6% | 2543 | 28320 | 7.15 | 285 | 255 | 17450 | 1777 | 676.0% |
| -9.4% | 4237 | 37904 | 6 | 290 | 16.8 | 14230 | 1489 | 172.2% |
| -25.3% | 866 | 10434 | 5.05 | 295 | 19.95 | 1110 | 236 | 93.4% |
| 3.1% | 841 | 6461 | 3.6 | 305 | 27.5 | 99 | 150 | 17.2% |
| 68.3% | 707 | 5723 | 2.6 | 315 | 30.95 | 0 | 5 | 0.0% |

Level Playing Sheet

| Commodity | Exch. | Expiry | Close | S2 | S1 | Pivot | R1 | R2 | Trend | Conviction | Intraday Range |
|-------------|-------|--------|--------|--------|--------|--------|--------|--------|---------|------------|----------------|
| Castor Seed | NCDEX | Dec | 6,346 | 6,282 | 6,314 | 6,347 | 6,379 | 6,412 | Bearish | Moderate | 6298 - 6363 |
| Cocudakl | NCDEX | Dec | 2,698 | 2,683 | 2,690 | 2,703 | 2,710 | 2,723 | Bearish | Moderate | 2687 - 2707 |
| Cotton | NCDEX | Jan | 54,730 | 54,510 | 54,620 | 54,710 | 54,820 | 54,910 | Bearish | Moderate | 54665 - 54865 |
| Dhaniya | NCDEX | Dec | 7,928 | 7,872 | 7,900 | 7,930 | 7,958 | 7,988 | Bearish | Moderate | 7886 - 7944 |
| Jeera | NCDEX | Nov | 24,315 | 24,112 | 24,213 | 24,307 | 24,408 | 24,502 | Bearish | Moderate | 24163 - 24358 |
| Guar Seed | NCDEX | Dec | 5,142 | 5,119 | 5,131 | 5,147 | 5,159 | 5,175 | Bearish | Moderate | 5125 - 5153 |
| Guar Gum | NCDEX | Dec | 10,137 | 10,094 | 10,115 | 10,152 | 10,173 | 10,210 | Bearish | Moderate | 10134 - 10192 |
| Mentha Oil | MCX | Dec | 920 | 914 | 916.93 | 921 | 924 | 928 | Bearish | Moderate | 919 - 926 |
| Turmeric | NCDEX | Dec | 13,952 | 13,775 | 13,863 | 14,011 | 14,099 | 14,247 | Bearish | Moderate | 13819 - 14055 |

| Commodity | Exch. | Expiry | Close | S2 | S1 | Pivot | R1 | R2 | Trend | Conviction | Intraday Range |
|--------------|-------|--------|--------|-------|-------|-------|-------|-------|---------|------------|----------------|
| Gold | MCX | Dec | 79002 | 77867 | 78435 | 78777 | 79345 | 79687 | Bullish | Moderate | 78606 - 79516 |
| Gold Comex | Comex | Nov | 2734 | 2680 | 2707 | 2720 | 2747 | 2761 | Bullish | High | 2713 - 2754 |
| Silver | MCX | Dec | 95802 | 94019 | 94910 | 95643 | 96534 | 97267 | Bullish | High | 95277 - 96901 |
| Silver Comex | Comex | Dec | 32.66 | 31.87 | 32.26 | 32.53 | 32.93 | 33.20 | Bullish | Moderate | 32 - 33 |
| Crude | MCX | Dec | 5934 | 5797 | 5866 | 5906 | 5975 | 6015 | Strong | Moderate | 5886 - 5995 |
| Crude Nymex | Nymex | Dec | 69.87 | 67.40 | 68.63 | 69.36 | 70.59 | 71.32 | Strong | Low | 69 - 71 |
| Nat Gas | MCX | Nov | 287 | 263 | 275 | 281 | 293 | 300 | Bullish | High | 278 - 297 |
| BullDex | MCX | Nov | 19400 | 19132 | 19266 | 19349 | 19483 | 19566 | Bullish | Moderate | 19308 - 19525 |
| Copper | MCX | Nov | 829.55 | 821 | 825 | 831 | 835 | 840 | Bullish | Moderate | 823 - 833 |
| Zinc | MCX | Nov | 290.95 | 288 | 289 | 292 | 293 | 295 | Bullish | Moderate | 289 - 292 |
| Lead | MCX | Nov | 179 | 178 | 179 | 180 | 180 | 182 | Bearish | Moderate | 178 - 180 |
| Aluminum | MCX | Nov | 244.75 | 242 | 243 | 245 | 246 | 247 | Flat | Moderate | 243 - 245 |

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