



Wednesday, December 18, 2024

## Overview

- Market participants turn cautious ahead of Fed meeting
- Natural gas prices recovered earlier losses on short covering
- Focus today will be US Fed Interest rate decision
- This week, monetary policy decisions will be in focus.

## Precious Metals

Gold and Silver slipped under pressure from a strengthening U.S. dollar, climbing Treasury yields, mixed US economic data and ceasefire updates. The dollar rose 0.1%, hovering around 107, while U.S. 10-year Treasury yields hovered near a four-week high hit earlier in the session, ahead of the Fed's meeting. According to CME's Fed Watch tool, the odds of a 25-basis-point rate cut this week stand at 95%, but the chances of a reduction in January are just around 16%. Hence, in this meet along with interest change, fed's updated economic projections and the dot plot, which could reshape expectations for rate trajectory through 2025 and 2026 will be in focus. Meanwhile, U.S. retail sales increased more than expected in November, adding to warmer inflation readings in recent months and suggesting that the Fed could pause rate cuts in January, while the industrial production was steady. Also, as per reports, Israel met Qatar mediators to discuss Gaza ceasefire with Hamas, weighing on sentiment. Focus this week will be on US housing, GDP and inflation data. Gold on domestic front is expected to trade in a range of ₹76,200- 77,200.

Precious metals	Close (\$)	%Chg.
Gold	2647.3	0.1%
Silver	30.45	-0.3%
CFTC data	Speculative Longs	Change WoW
Gold	220189	18792
Silver	30685	5792
ETF	Close	%Chg.
GOLD ETF	1990.2	-8.85
Silver ETF	25869	-40.07
Others	Close	%Chg.
DXY	106.96	0.0%
US 10Y Yields	4.39	-0.3%

## Base Metals

Aluminum prices fell as market participants responded to the simultaneous pressures of rising output in China and an expected seasonal decline in demand during the winter months.

Chinese aluminum production reached a new high last month, according to official figures. According to numbers released this week, China's production increased to 3.71 million metric tons. This amount of output, if sustained for a year, would result in an annualized production total of 45.3 million tons. China's economic figures showed slower-than-expected retail sales growth in November, although industrial production improved. However, persistent weakness in the property industry, with new home prices falling for the 17th straight month, put additional pressure on demand. Fed is widely expected to implement a 25 basis point interest rate cut tonight, but could signal fewer reductions than previously indicated for 2025 which further adds pressure on base metal prices.

## Energy

Natural gas prices on recovered from early losses and settled moderately higher as short covering emerged, pushing prices higher after European nat-gas prices surged more than +4% when the European Union said it has no interest in Russian gas, which could tighten European nat-gas supplies further and prompt increased demand for US natural gas. Oil fell for a second day after Chinese economic data stoked concerns about demand. Traders are also awaiting U.S. interest rate decision and monetary policy forecast from the Federal Reserve. While the central bank is widely expected to cut interest rates by 25 basis points, traders are watching for any signals that the Fed will adopt a slower pace of cuts in the coming months, especially as recent data showed sticky inflation, strong consumer spending and a robust labor market. Data from the API showed that U.S. oil inventories shrank by 4.7 million barrels in the week to December 13, more than expectations for a draw of 1.9 mb. But gasoline inventories grew by 2.4 mb, while distillates added 700,00 barrels. The reading indicated that while overall U.S. supplies were tightening, fuel demand was also likely cooling in the face of lessened travel during the winter season. This trend is expected to continue for at least the next two months.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	807	-0.1%
Aluminium	2420	-0.5%
Nickel	1354	-1.7%
Lead	179	-0.3%
Zinc	283	-0.8%

Daily LME Inventory		Current	W/W Chg.	Units
Copper	LME	272450	-175	MT
	Shanghai	84557	-13199	MT
Aluminum	LME	670025	-2500	MT
	Shanghai	214501	-9875	MT
Nickel	LME	161718	-3468	MT
	Shanghai	30077	-78	MT
Lead	LME	255525	-1600	MT
	Shanghai	52250	3984	MT
Zinc	LME	262100	-4400	MT
	Shanghai	50666	-2317	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	70.22	-0.1%
Natural gas	3.39	2.8%

Inventory ( EIA)	Current	W/W Chg.	Units
Crude oil	421.95	-1.43%	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	103986	-12448
Natural Gas	-79556	-6839

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	
18.2%	26	11	2529.5	74000	42.5	3904	1535	13.3%
0.0%	4	0	2072.5	74500	75.5	2333	342	15.5%
0.0%	414	680	1654.5	75000	144	19611	2266	-0.7%
76.7%	53	419	1313	75500	263	6217	424	16.8%
71.7%	1238	12799	942.5	<b>76000</b>	440	23591	2113	9.0%
93.7%	1263	14912	665.5	76500	683.5	5510	544	25.1%
35.0%	5930	33858	443	77000	973	3784	1350	-11.8%
-16.0%	2617	10141	275.5	77500	1340	142	255	-1.5%
-6.6%	6309	19798	198	78000	1787.5	410	646	-9.9%

## MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-81.5%	626	3694	383.7	5700	95.1	39503	1543	-87.1%
-96.4%	57	320	312.3	5750	111.4	5275	151	-97.0%
-37.4%	1717	17003	313.6	5800	130.2	60028	3451	-75.6%
-91.5%	132	4396	282	5850	149.8	10888	362	-93.9%
106.2%	7100	82864	250.4	<b>5900</b>	173.7	103800	5154	-63.8%
-32.4%	1677	30389	223.3	5950	198.9	35616	661	-91.1%
126.5%	16396	149089	197.9	6000	225.1	92434	5829	-26.1%
-10.1%	1815	19743	176.2	6050	256	5510	305	-74.5%
-35.2%	5230	58955	154.8	6100	287.6	9083	577	-70.2%

## MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-1.1%	375	364	35.65	240	0.65	16848	7155	9.0%
7.6%	1352	6303	25.95	250	1.75	46698	9168	6.7%
46.9%	2764	33893	18.45	260	4.55	85103	7230	12.1%
118.4%	2274	44779	15.45	265	6.85	64573	4044	18.9%
14.2%	10540	105138	12.65	<b>270</b>	255	103105	7060	0.6%
16.7%	4714	70726	10.55	275	12.45	47076	1962	-29.3%
17.6%	9976	83509	8.8	280	16.1	27266	2944	-6.8%
0.2%	9670	37329	6	290	23.75	4852	2880	-10.1%
7.4%	12988	33739	4.15	300	32.8	598	992	-13.7%

## Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jan	6,246	6,153	6,199	6,249	6,295	6,345	Bearish	Moderate	6176 - 6272
Cocudakl	NCDEX	Jan	2,666	2,626	2,646	2,662	2,682	2,698	Bearish	Moderate	2654 - 2690
Cotton	NCDEX	Jan	54,530	54,510	54,520	54,530	54,540	54,550	Bearish	Moderate	54525 - 54545
Dhaniya	NCDEX	Jan	7,844	7,760	7,802	7,832	7,874	7,904	Bearish	Moderate	7817 - 7889
Jeera	NCDEX	Dec	24,835	23,985	24,410	24,825	25,250	25,665	Bearish	Moderate	24198 - 25038
Guar Seed	NCDEX	Jan	5,106	5,068	5,087	5,102	5,121	5,136	Bearish	Moderate	5095 - 5129
Guar Gum	NCDEX	Jan	9,971	9,885	9,928	9,964	10,007	10,043	Bearish	Moderate	9946 - 10025
Mentha Oil	MCX	Dec	931	921	926.00	932	937	943	Bullish	Moderate	923 - 935
Turmeric	NCDEX	Apr	14,366	13,770	14,068	14,278	14,576	14,786	Flat	Moderate	14173 - 14681

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Feb	76871	76139	76505	76852	77218	77565	Bearish	Moderate	76322 - 77035
Gold Comex	Comex	Dec	2644	2623	2634	2643	2654	2663	Bearish	Moderate	2629 - 2648
Silver	MCX	Mar	90875	89512	90194	90669	91351	91826	Bearish	Moderate	89853 - 91010
Silver Comex	Comex	Jan	30.64	30.19	30.42	30.58	30.81	30.97	Bearish	Moderate	30 - 31
Crude	MCX	Dec	5924	5798	5861	5935	5998	6072	Bearish	Moderate	5830 - 5967
Crude Nymex	Nymex	Jan	69.65	67.94	68.79	69.67	70.52	71.40	Bearish	Moderate	68 - 70
Nat Gas	MCX	Dec	270	255	263	270	278	286	Bearish	Moderate	259 - 274
BullDex	MCX	Dec	18718	18639	18679	18739	18779	18839	Bearish	Moderate	18659 - 18759
Copper	MCX	Dec	807.15	801	804	809	812	817	Bearish	Moderate	802 - 810
Zinc	MCX	Dec	283.45	280	282	284	286	288	Bearish	Moderate	281 - 285
Lead	MCX	Dec	179	178	178	179	179	180	Bearish	Moderate	178 - 179
Aluminum	MCX	Dec	242.45	240	241	243	244	245	Bearish	Moderate	241 - 243

**Navneet Damani**

**Head Research- Currencies and Commodities**

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Contact Person	Contact No.	Email ID
Ms. Hemang Date	022 40548000 / 022 67490600	<a href="mailto:query@motilaloswal.com">query@motilaloswal.com</a>
Ms. Kumud Upadhyay	022 40548082	<a href="mailto:servicehead@motilaloswal.com">servicehead@motilaloswal.com</a>
Mr. Ajay Menon	022 40548083	<a href="mailto:am@motilaloswal.com">am@motilaloswal.com</a>

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