



Thursday, December 19, 2024

Overview

- Fed cuts rates by 25 bps with forecast for fewer cuts in 2025
- Oil prices weighed by stronger dollar @ 2-year highs
- Focus today will be US GDP data.

Precious Metals

Gold and silver prices fell in yesterday's session, pressured by a firmer U.S. dollar and Treasury yields as markets anticipated the Federal Reserve's interest rate decision. While a 25 bps rate cut expected with a 97% probability according to the CME FedWatch tool, traders foresee a cautious pace of monetary easing in 2024, with only a 17% chance of a cut in January. Meanwhile, In India, gold imports expected to slow significantly in December after record-high purchases in November. Discounts in India widened to \$9 per ounce, up from last week's \$2, as elevated domestic prices during the wedding season dampened demand. Similarly, in China, discounts ranged between \$19.4-\$25, reflecting subdued consumer confidence despite recent stimulus measures. Global gold premiums also saw varied trends, with Singapore quoting \$1.50, Hong Kong offering \$1.50-\$2.00, and Japan showing premiums of \$3.0 to discounts of \$4.5. Market participants will keep a watch on upcoming U.S. GDP and inflation data this week may further influence sentiment.

Precious metals	Close (\$)	%Chg.
Gold	2611.4	0.9%
Silver	29.48	0.4%
CFTC data	Speculative Longs	Change WoW
Gold	220189	18792
Silver	30685	5792
ETF	Close	%Chg.
GOLD ETF	1997.7	7.53
Silver ETF	25869	0.00
Others	Close	%Chg.
DXY	108.03	0.0%
US 10Y Yields	4.51	2.5%

Base Metals

Base metal prices plummeted to its lowest level in more than three months, weighed down by a strong dollar and unclear demand for industrial metals from important users. The Fed cut its funds rate as predicted, but it also revealed hawkish predictions for next year, anticipating fewer rate reduction and higher PCE inflation, causing the dollar to rise. As a result, metal prices in US dollars fell due to weaker demand from overseas economies. This contributed to the strain from poor industrial demand in the United States and China. The S&P PMI indicated that the US manufacturing sector contracted more than predicted in November. Furthermore, China's lack of specifics on its assurances of aggressive budgetary support raised fears that the signals prioritize optics over genuine action. The latest PMI data showed that Chinese manufacturing activity expanded only slightly in November, showing limited reaction to the ample monetary easing from September.

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 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. Oil prices tumbled amid a stronger dollar after the Federal Reserve projected a much slower pace of interest rate cuts in the coming year. The central bank now only expects only two 25 basis point cuts in the coming year, compared to prior forecasts of four cuts. The Fed also cut interest rates by 25 basis points, although this move largely priced in by markets. The Fed's outlook sparked a sharp pullback across risk-driven markets, while boosting the dollar. Prices did get some support from EIA inventory data falling for a fourth straight week. Prices have been stuck in a narrow range since the middle of October, with traders weighing a lackluster Chinese demand outlook and surging production from outside OPEC+ against geopolitical risks and the chance President-elect Donald Trump will move to restrict Iranian supply. For today, market participants will keep a watch on EIA natural gas inventory data due today.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	808	-0.9%
Aluminium	2420	-0.4%
Nickel	1340	-1.0%
Lead	178	-0.5%
Zinc	282	-0.7%

Daily LME Inventory		Current	W/W Chg.	Units
Copper	LME	272325	-125	MT
	Shanghai	84557	-13199	MT
Aluminum	LME	667525	-2500	MT
	Shanghai	214501	-9875	MT
Nickel	LME	160920	-798	MT
	Shanghai	29904	-173	MT
Lead	LME	255250	-275	MT
	Shanghai	52250	3984	MT
Zinc	LME	260400	-1700	MT
	Shanghai	50666	-2317	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	69.51	-1.5%
Natural gas	3.43	2.0%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	421.02	-2.36	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	
0.0%	4	0	1891.5	74500	85.5	2620	377	10.2%
22.7%	508	521	1448	75000	152.5	9722	2519	11.2%
17.0%	62	302	1073	75500	275.5	4095	417	-1.7%
35.9%	1683	11667	757	76000	462.5	20196	2367	12.0%
71.7%	2169	16878	502	76500	730	5149	462	-15.1%
23.9%	7347	23770	308	77000	1068.5	2911	1202	-11.0%
4.1%	2724	9528	173	77500	1468	122	255	0.0%
4.9%	6621	12458	112.5	78000	1912.5	251	633	-2.0%
5.3%	1050	2510	70	78500	2404.5	0	9	0.0%

MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-27.9%	1238	11704	250.7	5800	99.3	53951	7378	113.8%
-32.6%	89	1480	221.3	5850	117.8	11006	812	124.3%
-53.2%	3324	53256	194.2	5900	136.8	72063	7333	42.3%
-57.9%	706	29057	170.4	5950	159.8	30814	2723	312.0%
-46.6%	8757	154956	147.3	6000	182.2	119412	10490	80.0%
-8.4%	1662	26120	127.9	6050	207.6	14376	1302	326.9%
-36.0%	3347	64453	110.3	6100	239.2	21196	1573	172.6%
-43.6%	365	12255	94.6	6150	268.2	224	24	-7.7%
-31.6%	2815	46450	80.2	6200	302.4	2841	435	61.7%

MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-23.7%	286	183	31.45	240	0.35	8129	6436	-10.0%
-23.4%	1036	1242	21.7	250	0.65	24948	9303	1.5%
-46.0%	1493	5155	14.35	260	1.55	41829	6937	-4.1%
-56.4%	992	5274	11.45	265	2.3	36008	4866	20.3%
-27.5%	7643	31073	9.2	270	255	83274	9281	31.5%
-56.5%	2051	25551	7.4	275	5.15	62497	4052	106.5%
-53.3%	4658	109218	6.05	280	7.15	145131	7295	147.8%
-31.7%	6601	140150	3.9	290	12.4	86879	3712	28.9%
-28.3%	9313	90752	2.55	300	19.25	13997	1356	36.7%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jan	6,313	6,186	6,249	6,284	6,347	6,382	Bearish	Moderate	6267 - 6365
Cocudakl	NCDEX	Jan	2,647	2,610	2,629	2,649	2,668	2,688	Bearish	Moderate	2620 - 2659
Cotton	NCDEX	Jan	54,180	53,987	54,083	54,197	54,293	54,407	Bearish	Moderate	54035 - 54245
Dhaniya	NCDEX	Jan	7,802	7,715	7,759	7,795	7,839	7,875	Bearish	Moderate	7777 - 7857
Jeera	NCDEX	Dec	24,905	24,175	24,540	24,930	25,295	25,685	Bearish	Moderate	24735 - 25490
Guar Seed	NCDEX	Jan	5,134	5,083	5,109	5,139	5,165	5,195	Bearish	Moderate	5124 - 5180
Guar Gum	NCDEX	Jan	10,059	9,932	9,995	10,073	10,136	10,214	Bearish	Moderate	10034 - 10175
Mentha Oil	MCX	Dec	932	924	927.93	934	938	944	Bullish	High	926 - 936
Turmeric	NCDEX	Apr	13,806	13,302	13,554	13,952	14,204	14,602	Bearish	Moderate	13428 - 14078

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Feb	76653	76306	76480	76738	76912	77170	Bearish	Moderate	76393 - 76825
Gold Comex	Comex	Dec	2637	2568	2602	2625	2659	2682	Bearish	Moderate	2585 - 2642
Silver	MCX	Mar	90380	89598	89989	90463	90854	91328	Bearish	Moderate	89794 - 90659
Silver Comex	Comex	Jan	30.46	29.00	29.73	30.22	30.96	31.45	Flat	Moderate	29 - 31
Crude	MCX	Dec	6017	5890	5953	6008	6071	6126	Bullish	High	5981 - 6099
Crude Nymex	Nymex	Jan	70.02	68.66	69.34	70.07	70.75	71.48	Bearish	Moderate	70 - 71
Nat Gas	MCX	Dec	286	265	275	284	295	303	Bullish	High	280 - 299
BullDex	MCX	Dec	18778	18747	18763	18777	18793	18807	Bearish	Moderate	18755 - 18785
Copper	MCX	Dec	808.45	801	805	808	811	814	Bearish	Moderate	806 - 813
Zinc	MCX	Dec	282.10	279	280	282	284	285	Bearish	Moderate	280 - 283
Lead	MCX	Dec	178	176	177	178	179	180	Bearish	Moderate	177 - 178
Aluminum	MCX	Dec	242.10	241	241	242	243	244	Bearish	Moderate	242 - 244

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