



Wednesday, January 01, 2025

Overview

- China manufacturing activity expands in Dec but lags forecasts
- Oil prices post 3% annual decline, slipping for second year in a row

Precious Metals

Gold prices were poised for an annual surge of over 27%, their biggest yearly rise since 2010, driven by safe-haven demand and central banks' rate cuts, although the mood could turn more cautious depending on policy shifts under a second Donald Trump presidency. Strong central bank purchases, geopolitical uncertainties and monetary policy easing powered safe-haven gold's record-breaking rally in 2024. Anticipation of major U.S. policy shifts in 2025, including potential tariffs, deregulation and tax changes, has grown as Trump prepares to take office in January. US Dollar Index were trading firm around 108 however, we did see a sharp rally towards the end of yesterday's session up by around 50bps, while Treasury yields were sharply higher, pressuring the yellow metal. After a 100bps cut in 2024 by Fed, market participants were expecting higher rate cuts in 2025, however, policymakers showcased only two cuts in this year significantly weighing on prices. A slew of U.S. economic data due next week includes job openings figures, the ADP employment report, the Fed's December FOMC minutes, and the U.S. employment report, to gauge the health of the economy.

| Precious metals | Close (\$) | %Chg. |
|-----------------|-------------------|------------|
| Gold | 2623.8 | 0.7% |
| Silver | 28.87 | -0.2% |
| CFTC data | Speculative Longs | Change WoW |
| Gold | 184260 | -19677 |
| Silver | 20590 | -1488 |
| ETF | Close | %Chg. |
| GOLD ETF | 1992.6 | -4.06 |
| Silver ETF | 26000 | 50.68 |
| Others | Close | %Chg. |
| DXY | 108.13 | 0.3% |
| US 10Y Yields | 4.58 | -1.6% |

Base Metals

Copper prices fell but were on track for a second consecutive yearly gain, while the red metal's outlook for next year hinges on China's economic recovery and U.S. President-elect Donald Trump's policies. In May, copper prices scaled a historic high of \$11,104.50, fuelled by a fund-buying frenzy. But, since then, prices have fallen 20% — pressured by a strong dollar, import tariff threats and persistent doubts over China's recovery. China, the biggest commodity consumer, has struggled to recover amid weak consumption and a protracted property crisis. However, policymakers hope a recent blitz of fiscal and monetary measures will spark a turnaround. Meanwhile, Trump threatened tariffs in excess of 60% on Chinese goods during his campaign. Prices of new homes in China rose at a slightly faster pace in December, a private survey showed, as crises-hit property sector struggles to find a bottom on the heels of a slew of supportive government policies. China's policymakers in recent months doubled down their efforts to revive the sector, which cash-strapped.

Energy

Natural Gas prices saw a sharp selling pressure driven by profit-taking and mixed weather models. The latest European weather model softened its outlook for the January 5-12 period, giving back several heating degree-days (HDDs) compared to earlier forecasts. While the January 3-12 forecast remains cold, its intensity appears to have decreased, prompting traders to reassess long positions. However, LNG export demand remains strong with Mexico's growing LNG demand adds another factor to U.S. natural gas fundamentals. New Fortress Energy's Fast LNG facility in Mexico has increased feed gas flows from South Texas to record monthly highs. This additional demand, driven by exports from the Sur de Texas-Tuxpan pipeline, supports U.S. prices despite domestic supply concerns. Currently, there is heightened uncertainty surrounding a potential halt of Russian gas supplies to Europe. The ongoing delay in signing a new transit deal has attracted bullish activity in the market. Market participants await a slew of U.S. economic data due next week includes job openings figures, the ADP employment report, the Fed's December FOMC minutes, and the U.S. employment report, to gauge the health of the economy.

| Base Metals (MCX) | Close (Rs.) | %Chg. |
|-------------------|-------------|-------|
| Copper | 796 | -0.2% |
| Aluminium | 253P | -0.3% |
| Nickel | 1339 | 0.3% |
| Lead | 176 | 0.0% |
| Zinc | 284 | 0.0% |

| Daily LME Inventory | | Current | W/W Chg. | Units |
|---------------------|----------|---------|----------|-------|
| Copper | LME | 271400 | 0 | MT |
| | Shanghai | 74172 | 3308 | MT |
| Aluminum | LME | 639150 | -4500 | MT |
| | Shanghai | 201185 | -11113 | MT |
| Nickel | LME | 160536 | -1194 | MT |
| | Shanghai | 28789 | 1 | MT |
| Lead | LME | 243725 | -2150 | MT |
| | Shanghai | 51821 | -214 | MT |
| Zinc | LME | 234900 | -2975 | MT |
| | Shanghai | 30236 | -9901 | MT |

| Energy | Close (\$) | %Chg. |
|---------------|------------|-------|
| WTI Crude oil | 71.93 | 0.0% |
| Natural gas | 4.01 | 10.7% |

| Inventory (EIA) | Current | W/W Chg. | Units |
|------------------|---------|----------|-------|
| Crude oil | 416.78 | -6.6 | 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 | 182895 | 21694 |
| Natural Gas | -4050 | 62200 |

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% | 0 | 0 | 2203 | 74500 | 245 | 99 | 70 | -5.4% |
| -17.2% | 168 | 227 | 1722 | 75000 | 329.5 | 4883 | 1601 | 10.1% |
| -18.2% | 18 | 26 | 1355 | 75500 | 459 | 1859 | 207 | 66.9% |
| -42.8% | 732 | 4531 | 1130.5 | 76000 | 631 | 8374 | 1451 | 4.5% |
| -31.2% | 139 | 1234 | 889.5 | 76500 | 841 | 668 | 138 | 15.0% |
| -15.8% | 1310 | 6326 | 692.5 | 77000 | 1082.5 | 864 | 374 | -14.2% |
| -2.3% | 84 | 337 | 539.5 | 77500 | 1498.5 | 0 | 0 | 0.0% |
| 7.5% | 1419 | 3235 | 401.5 | 78000 | 1657 | 108 | 123 | -8.9% |
| 6.3% | 17 | 4 | 349.5 | 78500 | 2178.5 | 0 | 0 | 0.0% |

MCX Crude Oil

| % Chg in OI | Call | | Particulars | | | Put | | % Chg in OI |
|-------------|-------|--------|-------------|--------|---------|--------|-------|-------------|
| | OI | Volume | Premium | Strike | Premium | Volume | OI | |
| -25.7% | 451 | 5581 | 233.9 | 5950 | 61.4 | 31047 | 7489 | 3.5% |
| -3.2% | 10491 | 54681 | 199.2 | 6000 | 74.5 | 124209 | 29140 | 13.9% |
| -12.9% | 1808 | 34269 | 169.7 | 6050 | 89.1 | 60777 | 7798 | 14.0% |
| 0.0% | 7698 | 153621 | 143.3 | 6100 | 107.6 | 163121 | 16769 | 71.4% |
| 9.4% | 2051 | 72046 | 117.8 | 6150 | 130.1 | 49191 | 3646 | 162.9% |
| 57.3% | 6090 | 114514 | 98.8 | 6200 | 154.6 | 65556 | 4582 | 129.2% |
| 279.6% | 1841 | 40666 | 80.4 | 6250 | 182.4 | 7229 | 535 | 240.8% |
| 48.8% | 3491 | 64890 | 65.2 | 6300 | 213.9 | 10874 | 1244 | 66.8% |
| 57.8% | 546 | 18393 | 53 | 6350 | 248.6 | 321 | 46 | -6.1% |

MCX Natural Gas

| % Chg in OI | Call | | Particulars | | | Put | | % Chg in OI |
|-------------|------|--------|-------------|--------|---------|--------|------|-------------|
| | OI | Volume | Premium | Strike | Premium | Volume | OI | |
| -11.4% | 366 | 151 | 67.7 | 270 | 7.7 | 16476 | 3230 | -26.9% |
| -5.8% | 425 | 354 | 61.65 | 280 | 11.05 | 20766 | 2267 | -37.4% |
| -32.6% | 924 | 2018 | 53.9 | 290 | 15.4 | 22596 | 2177 | -36.7% |
| -14.2% | 133 | 123 | 51.1 | 295 | 17.8 | 5628 | 479 | -37.1% |
| 7.4% | 2455 | 5990 | 47.9 | 300 | 255 | 41855 | 3613 | -30.4% |
| 22.2% | 110 | 496 | 44.3 | 305 | 23.3 | 3612 | 377 | 1.3% |
| -6.5% | 1149 | 8180 | 41.9 | 310 | 26.1 | 17773 | 2097 | -4.8% |
| 59.9% | 2101 | 25952 | 37.9 | 320 | 32.5 | 32047 | 1465 | -17.2% |
| 53.5% | 3476 | 27860 | 33.1 | 330 | 39.45 | 19905 | 1263 | 0.9% |

Level Playing Sheet

| Commodity | Exch. | Expiry | Close | S2 | S1 | Pivot | R1 | R2 | Trend | Conviction | Intraday Range |
|-------------|-------|--------|--------|--------|--------|--------|--------|--------|---------|------------|----------------|
| Castor Seed | NCDEX | Jan | 6,448 | 6,393 | 6,420 | 6,439 | 6,466 | 6,485 | Bearish | Moderate | 6430 - 6476 |
| Cocudakl | NCDEX | Jan | 2,692 | 2,637 | 2,665 | 2,679 | 2,707 | 2,721 | Bearish | Moderate | 2672 - 2714 |
| Cotton | NCDEX | Jan | 54,370 | 54,050 | 54,210 | 54,380 | 54,540 | 54,710 | Bearish | Moderate | 54130 - 54460 |
| Dhaniya | NCDEX | Jan | 8,104 | 8,004 | 8,054 | 8,096 | 8,146 | 8,188 | Bearish | Moderate | 8075 - 8167 |
| Jeera | NCDEX | Dec | 24,550 | 24,220 | 24,385 | 24,480 | 24,645 | 24,740 | Bearish | Moderate | 24433 - 24693 |
| Guar Seed | NCDEX | Jan | 5,274 | 5,237 | 5,255 | 5,274 | 5,292 | 5,311 | Bearish | Moderate | 5246 - 5283 |
| Guar Gum | NCDEX | Jan | 10,327 | 10,252 | 10,289 | 10,339 | 10,376 | 10,426 | Bearish | Moderate | 10271 - 10358 |
| Mentha Oil | MCX | Dec | 924 | 924 | 924.10 | 924 | 924 | 924 | Flat | Moderate | 924 - 924 |
| Turmeric | NCDEX | Apr | 14,826 | 14,107 | 14,467 | 14,783 | 15,143 | 15,459 | Bullish | High | 14625 - 15301 |

| Commodity | Exch. | Expiry | Close | S2 | S1 | Pivot | R1 | R2 | Trend | Conviction | Intraday Range |
|--------------|-------|--------|--------|-------|-------|-------|-------|-------|---------|------------|----------------|
| Gold | MCX | Feb | 76748 | 75984 | 76366 | 76598 | 76980 | 77212 | Flat | Moderate | 76482 - 77096 |
| Gold Comex | Comex | Dec | 2629 | 2597 | 2613 | 2621 | 2637 | 2645 | Flat | Moderate | 2617 - 2641 |
| Silver | MCX | Mar | 87233 | 86658 | 86945 | 87348 | 87635 | 88038 | Bearish | Moderate | 86802 - 87492 |
| Silver Comex | Comex | Jan | 29.10 | 28.92 | 29.01 | 29.16 | 29.25 | 29.41 | Bearish | Moderate | 29 - 29 |
| Crude | MCX | Dec | 6166 | 6051 | 6108 | 6143 | 6200 | 6235 | Bullish | High | 6126 - 6218 |
| Crude Nymex | Nymex | Jan | 71.25 | 69.98 | 70.61 | 71.07 | 71.70 | 72.16 | Bullish | High | 71 - 72 |
| Nat Gas | MCX | Dec | 310 | 284 | 297 | 321 | 334 | 358 | Bearish | Moderate | 290 - 327 |
| BullDex | MCX | Dec | 18562 | 18473 | 18518 | 18546 | 18591 | 18619 | Bearish | Moderate | 18532 - 18605 |
| Copper | MCX | Dec | 795.75 | 796 | 796 | 796 | 796 | 796 | Bearish | Moderate | 796 - 796 |
| Zinc | MCX | Dec | 284.05 | 280 | 282 | 285 | 286 | 289 | Flat | Moderate | 283 - 287 |
| Lead | MCX | Dec | 177 | 176 | 177 | 178 | 178 | 179 | Flat | Moderate | 177 - 178 |
| Aluminum | MCX | Dec | 253.30 | 251 | 252 | 253 | 254 | 255 | Bullish | High | 251 - 254 |

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