



Thursday, January 02, 2025

Overview

- China manufacturing activity expands in Dec but lags forecasts
- Oil prices post 3% annual decline, slipping for second year in a row
- Base metals kick off 2025 higher on revived China optimism

Precious Metals

Gold kicked off the New Year on a positive note after a stellar 2024, as market participants waited for more clues on the U.S. Federal Reserve's interest rate outlook and President-elect Donald Trump's tariff policies. Gold emerged as one of the top-performing assets in 2024, surging more than 27% in its largest annual gain since 2010.; while Silver rose nearly 22% in 2024 to post its best year since 2020. Market participants anticipate the Fed to adopt a slow and cautious approach to further rate cuts in 2025, as inflation continues to exceed the central bank's 2% annual target. According to the CME's FedWatch Tool, markets are pricing in an 11.2% chance of a U.S. rate cut in January, with an 88.8% chance of a status quo. Dollar index continues to limit gains on higher side, as it hovers around its two year highs, above 108 mark. Major economies will resume after the New year holidays triggering some volatility in the market. Market participants await initial U.S. jobless claims data due later in the day, along with next week's U.S. job openings data, ADP employment report, Fed meeting minutes, and employment report for further direction.

Precious metals	Close (\$)	%Chg.
Gold	2632.4	0.3%
Silver	29.22	1.2%
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	108.49	-0.1%
US 10Y Yields	4.57	0.7%

Base Metals

Most base metals rose on anticipation of more assertive Chinese efforts to encourage growth, though gains were limited by a stronger US dollar. Chinese President Xi Jinping announced that the country's GDP is likely to exceed 130 trillion yuan (\$17.8 trillion) in 2024. He also stated that the country would employ more proactive strategies to encourage growth by 2025. The dollar began 2025 on the front foot, following a robust year of gains versus most currencies, as investors worried if US interest rates would remain high for longer. The dollar has been boosted by rising US Treasury rates, with the key 10-year note reaching a more than seven-month high last week. China Caixin Manufacturing PMI fell to 50.5 in December, down from 51.5 in November. Posting above the 50.0 neutral mark, the latest data signaled that conditions in the manufacturing sector improved for a third consecutive month.

Energy

Natural gas prices declined due to profit booking, despite forecasts predicting colder-than-average weather in January, which expected to drive higher heating demand. Projections indicate an 18 bcf rise in demand following recent forecasts of a cold front in the U.S. The EIA reported a 93 bcf withdrawal from storage for the week ending December 20, slightly below the anticipated 99 bcf draw. On international front, concerns about reduced Russian gas supplies to Europe have spurred demand for U.S. LNG. President-elect Trump has pledged to issue additional LNG export permits, likely shifting U.S. firms' focus towards exports over domestic sales, supported by sufficient domestic supply. Oil prices edged higher in light holiday trading, wrapping up a flat year in 2024 as the market anticipates a global surplus in the coming year. Prices found support after the American Petroleum Institute reported a 1.4 Mbs decline in U.S. oil inventories last week. Lower inventories suggest increased crude oil demand, which can positively affect prices. As stockpiles shrink, traders may reinvest in the oil market, potentially driving prices up. The EIA is set to release its weekly report later today, and traders are awaiting confirmation of the inventory drop. These official figures are crucial for understanding U.S. crude oil market dynamics, influencing prices and economic strategies.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	794	-0.8%
Aluminium	2420	0.1%
Nickel	1338	-0.1%
Lead	178	0.7%
Zinc	280	0.6%

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	72.05	0.2%
Natural gas	3.69	-8.3%

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	2522	74500	217.5	3	72	2.9%
-7.7%	155	38	2056	75000	300.5	830	1525	-4.7%
11.1%	20	11	1636.5	75500	425.5	212	204	-1.4%
-7.9%	674	549	1353	76000	589	1418	1429	-1.5%
-7.2%	129	204	1084	76500	811	220	191	38.4%
-1.8%	1286	1130	817.5	77000	1031	243	398	6.4%
1.2%	85	107	621	77500	1374.5	0	0	0.0%
-3.2%	1373	757	445.5	78000	1632.5	48	120	-2.4%
17.6%	20	9	322	78500	2045.5	0	0	0.0%

MCX Crude Oil

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-5.8%	425	180	271.7	5950	62.4	6184	7467	-0.3%
-1.0%	10383	2610	233.9	6000	75.3	13310	28917	-0.8%
-0.5%	1799	2680	199.5	6050	90.3	5611	7806	0.1%
4.3%	8032	9641	169.8	6100	108.4	14933	17208	2.6%
16.8%	2396	11614	140.9	6150	131.2	12058	4113	12.8%
13.0%	6882	16470	116.6	6200	155.7	11768	5503	20.1%
1.5%	1868	10205	93.6	6250	182.5	2788	545	1.9%
3.5%	3613	9587	75.7	6300	214.2	1198	1375	10.5%
-11.9%	481	7351	60.8	6350	248.9	208	86	87.0%

MCX Natural Gas

% Chg in OI	Call		Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI	
-2.0%	150	37	37.55	285	12.05	1142	527	-4.2%
-1.5%	131	32	32.4	295	16.25	760	433	-9.6%
40.9%	155	452	28.3	305	21.35	1020	328	-13.0%
11.7%	1283	4294	26.45	310	24	3489	2295	9.4%
57.8%	745	3273	24.75	315	255	2029	870	23.6%
3.5%	2175	3391	22.75	320	29.75	1833	1328	-9.4%
-7.9%	879	1161	21.2	325	33.1	158	196	-2.0%
-1.0%	2038	777	18.4	335	39.85	29	696	-0.9%
-5.7%	411	473	15.8	345	48.65	7	61	-9.0%

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Jan	6,479	6,403	6,441	6,468	6,506	6,533	Bearish	Moderate	6455 - 6520
Cocudakl	NCDEX	Jan	2,708	2,657	2,683	2,699	2,725	2,741	Bearish	Moderate	2691 - 2733
Cotton	NCDEX	Jan	54,330	54,170	54,250	54,360	54,440	54,550	Bearish	Moderate	54305 - 54495
Dhaniya	NCDEX	Jan	7,980	7,859	7,919	8,015	8,075	8,171	Bearish	Moderate	7889 - 8045
Jeera	NCDEX	Jan	24,385	24,195	24,290	24,435	24,530	24,675	Bearish	Moderate	24243 - 24483
Guar Seed	NCDEX	Jan	5,371	5,252	5,312	5,349	5,409	5,446	Bearish	Moderate	5331 - 5428
Guar Gum	NCDEX	Jan	10,495	10,298	10,396	10,468	10,566	10,638	Bearish	Moderate	10432 - 10602
Mentha Oil	MCX	Jan	940	932	936.07	940	944	947	Bullish	High	934 - 942
Turmeric	NCDEX	Apr	15,364	14,765	15,065	15,349	15,649	15,933	Bullish	Moderate	15207 - 15791

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	Jan	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	Feb	29.10	28.92	29.01	29.16	29.25	29.41	Bearish	Moderate	29 - 29
Crude	MCX	Jan	6166	6051	6108	6143	6200	6235	Bullish	High	6126 - 6218
Crude Nymex	Nymex	Feb	71.25	69.98	70.61	71.07	71.70	72.16	Bullish	High	71 - 72
Nat Gas	MCX	Jan	315	301	308	312	319	323	Bullish	High	310 - 321
BullDex	MCX	Jan	18586	18530	18558	18579	18607	18628	Bearish	Moderate	18569 - 18618
Copper	MCX	Jan	793.85	788	791	793	796	797	Bearish	Moderate	792 - 797
Zinc	MCX	Jan	279.60	277	278	279	281	282	Bearish	Moderate	279 - 281
Lead	MCX	Jan	178	177	177	178	178	178	Flat	Moderate	177 - 178
Aluminum	MCX	Jan	241.70	241	241	242	242	243	Bearish	Moderate	241 - 242

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