



Thursday, January 16, 2025

Overview

- US inflation reported in-line with expectations at 2.9%
- Israel-Hamas to finalize a ceasefire and hostage agreement
- Natural gas prices rise on colder weather forecasts
- Today, US retail sales and jobless claims.

Precious Metals

Gold extended its recent gains following the release of U.S. inflation data, which came in lower than expected. Markets have been reducing their expectations for rate cuts this year after months of elevated inflation. A decline in Treasury yields and a weaker U.S. dollar further supported investor demand for gold. U.S. PPI rose 3.3% YoY in December, slightly below forecast of 3.4%. Meanwhile, headline consumer prices increased as expected, rising 0.4% MoM, up from 0.3% in Nov, with the annual rate accelerating to 2.9% from 2.7%. However, core CPI, which excludes food and energy, rose by 0.2% MoM and 3.2% YoY, both below forecasts and Nov readings of 0.3% and 3.3%, respectively. The Federal Reserve has signaled a cautious stance toward rate cuts in 2025, highlighting concerns about a resilient labor market and persistent inflation. Higher interest rates generally diminish appeal of non-yielding assets like gold due to increased opportunity cost of holding them. Despite this, the softer inflation data weighed on the dollar, with the dollar index declining 0.5%, making gold more affordable for foreign buyers. However, strong nonfarm payroll data, with 256,000 jobs added in December, reflected strength of U.S. labor market, capping gold's upward momentum.

Precious metals	Close (\$)	%Chg.
Gold	2696.2	0.0%
Silver	30.58	-0.3%
CFTC data	Speculative Longs	Change WoW
Gold	194499	12115
Silver	25609	8785
ETF	Close	%Chg.
GOLD ETF	2021.1	2.36
Silver ETF	26084	0.00
Others	Close	%Chg.
DXY	109.09	0.0%
US 10Y Yields	4.66	-2.9%

Base Metals

Most metals rose as dollar slipped on softer than expected US inflation data. Macro side, the US overall CPI YoY growth rate mildly rebounded to 2.9%, while core CPI YoY growth rate unexpectedly pulled back to 3.2%, below expectations, easing concerns about accelerating inflation. Traders increased bets on a US Fed interest rate cut in June, with the likelihood of two rate cuts this year rising. Following the data release, the US dollar index briefly fell below the 109 mark, boosting overnight copper prices. Although, mounting global trade tensions and a likely manufacturing downturn, fueled by anticipated tariffs under incoming US President Donald Trump, have left investors cautious. Change in consumption patterns will be important as week-long holidays in China begin on 28th January for New Year.

Energy

Natural gas prices declined as feed Gas flows to the Freeport LNG facility in Texas decreased, despite ongoing cold weather and elevated heating demand. This highlights a complex mix of factors affecting natural gas prices. Oil prices retreated from a five-month high after Hamas and Israel tentatively agreed to a ceasefire, easing concerns over disruptions to Russian and Iranian supplies. Such an agreement would potentially end a conflict that has affected global oil markets for over 15 months. Additional downward pressure on prices came from an API report showing a smaller-than-expected decline in U.S. crude stockpiles. Crude inventories fell by approximately 2.6 Mbs, compared to the previous week's 4 Mbs draw and expectations of a 3.5 Mbs draw. Meanwhile, gasoline stockpiles rose by 5.4 Mbs, and distillate inventories increased by 4.9Mbs. Traders are cautious ahead of the U.S. CPI release on Wednesday, following December's PPI report, which indicated milder-than-expected inflation. Later today, market participants will focus on the natural gas EIA inventory data release.

Base Metals (MCX)	Close (Rs.)	%Chg.
Copper	832	0.2%
Aluminium	2500	0.3%
Nickel	1374	0.4%
Lead	177	-0.6%
Zinc	273	0.2%

Daily LME Inventory		Current	W/W Chg.	Units
Copper	LME	260750	-1150	MT
	Shanghai	78678	-4496	MT
Aluminum	LME	614375	-2500	MT
	Shanghai	182168	-11071	MT
Nickel	LME	167814	3228	MT
	Shanghai	27729	285	MT
Lead	LME	239000	18425	MT
	Shanghai	44854	-3719	MT
Zinc	LME	206375	-3100	MT
	Shanghai	21334	-2578	MT

Energy	Close (\$)	%Chg.
WTI Crude oil	80.28	-0.3%
Natural gas	4.13	2.8%

Inventory (EIA)	Current	W/W Chg.	Units
Crude oil	412.68	-1.96	Mnbl
Gasoline	233.51	2.57	Mnbl
Distillate	123.37	0.88	Mnbl
Natural Gas	3.13	-0.21	bcb

CFTC data	Speculative Longs	Change WoW
Crude oil	246362	47221
Natural Gas	21483	25679

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		
-1.4%	69	4	1893	76500	136.5	1244	500	5.9%	
-1.8%	758	302	1490	77000	203.5	7324	2417	18.6%	
-8.8%	124	58	1154	77500	304.5	2079	563	29.7%	
-6.2%	1395	6296	866.5	78000	458.5	11036	1931	48.2%	
94.4%	1009	18766	651	78500	679	4487	634	487.0%	
-8.1%	1863	14015	466.5	79000	940.5	1244	315	99.4%	
64.4%	97	1053	334	79500	1110	0	0	0.0%	
-5.4%	1719	7603	228.5	80000	1759.5	12	24	4.3%	
0.0%	2	0	46.5	80500	1919.5	0	0	0.0%	

MCX Crude Oil

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-68.8%	1182	52239	145	6600	0.1	120471	3819	-46.9%	
-67.1%	371	56088	106.6	6650	0.1	140596	2180	-31.2%	
-46.6%	3339	303279	73.1	6700	0.2	418483	6188	-37.1%	
-89.9%	372	269671	47.9	6750	0.2	261697	2833	-47.1%	
-71.6%	2761	480220	30.7	6800	0.7	401868	2785	-43.9%	
-72.2%	1218	349932	19	6850	3.1	203321	1414	24.3%	
-75.5%	1563	363854	10.9	6900	15.4	139150	1631	-41.9%	
-26.3%	1687	107886	6.3	6950	52.2	21639	893	46.9%	
-37.7%	5310	82149	4.1	7000	100.8	14580	1024	20.6%	

MCX Natural Gas

% Chg in OI	Call			Particulars			Put		% Chg in OI
	OI	Volume	Premium	Strike	Premium	Volume	OI		
-2.3%	564	109	47.75	305	4.15	14425	2322	2.3%	
2.3%	272	135	39.5	315	6.55	10204	1782	14.6%	
-3.7%	591	4769	33.75	325	9.75	14304	1772	39.9%	
-10.3%	1828	23035	30.85	330	11.8	43723	4247	11.4%	
45.5%	997	17275	28.3	335	255	21361	2019	90.1%	
18.5%	3239	60627	25.6	340	16.5	65329	3696	24.2%	
64.9%	1352	35316	23.5	345	19.15	25847	863	163.1%	
27.4%	809	15988	19.3	355	25.05	4967	182	136.4%	
10.7%	817	8903	15.85	365	31.45	255	127	-10.6%	

Level Playing Sheet

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Castor Seed	NCDEX	Feb	6,382	6,331	6,357	6,378	6,404	6,425	Bearish	Moderate	6344 - 6391
Cocudakl	NCDEX	Feb	2,782	2,760	2,771	2,787	2,798	2,814	Bearish	Moderate	2766 - 2793
Cotton	NCDEX	Jan	54,300	53,933	54,117	54,283	54,467	54,633	Bearish	Moderate	54200 - 54550
Dhaniya	NCDEX	Apr	8,472	8,400	8,436	8,498	8,534	8,596	Bearish	Moderate	8418 - 8516
Jeera	NCDEX	Jan	23,265	22,452	22,858	23,107	23,513	23,762	Bearish	Moderate	22983 - 23638
Guar Seed	NCDEX	Feb	5,466	5,433	5,449	5,465	5,481	5,497	Bearish	Moderate	5457 - 5489
Guar Gum	NCDEX	Feb	10,564	10,474	10,519	10,559	10,604	10,644	Bearish	Moderate	10539 - 10624
Mentha Oil	MCX	Jan	926	919	922.87	926	930	933	Bearish	Moderate	921 - 928
Turmeric	NCDEX	Apr	14,168	13,777	13,973	14,297	14,493	14,817	Bearish	Moderate	13875 - 14395

Commodity	Exch.	Expiry	Close	S2	S1	Pivot	R1	R2	Trend	Conviction	Intraday Range
Gold	MCX	Feb	78710	78067	78389	78562	78884	79057	Bullish	Moderate	78476 - 78971
Gold Comex	Comex	Jan	2713	2687	2700	2704	2716	2720	Bullish	High	2702 - 2718
Silver	MCX	Mar	92856	89659	91257	92109	93707	94559	Bullish	High	91683 - 94133
Silver Comex	Comex	Feb	31.40	29.80	30.60	31.06	31.87	32.33	Bullish	High	31 - 32
Crude	MCX	Jan	6794	6533	6663	6738	6868	6943	Bullish	Moderate	6701 - 6906
Crude Nymex	Nymex	Feb	78.71	74.86	76.78	78.09	80.01	81.32	Bullish	Moderate	77 - 81
Nat Gas	MCX	Jan	349	325	337	346	358	367	Bullish	High	341 - 362
BullDex	MCX	Jan	19148	18931	19040	19109	19218	19287	Bullish	Low	19075 - 19253
Copper	MCX	Jan	832.25	821	827	830	835	838	Bullish	High	828 - 837
Zinc	MCX	Jan	273.10	267	270	272	275	277	Flat	Moderate	271 - 276
Lead	MCX	Jan	177	175	176	177	178	179	Bearish	Moderate	176 - 177
Aluminum	MCX	Jan	249.80	243	247	248	252	253	Bullish	High	247 - 252

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