



### RED SEA WAR RISKS- CHINA RATE CUT AND YEAR END BOOK SQUARING

**Please Read this before you trade:** We strongly recommend traders to use some discretion on entry and exit points based on product volatility and multiplier. Outlook, entry and exit points valid for 1-2 days unless specifically mentioned as positional. SI is closing basis or Intraday as per scenario. Levels are indicative. 50% profit booking at tgt 1 suggested.

#### Bullion update

Commodity	Strategy	Entry	Target 1	Target 2	SI	Tech Range	Tec. Trend
MCX Feb mini gold	Sold	62200-300	Part exit @ 62450-60550	Part hold SHORT for 2-3 week	Given later	61570-63180	Volatile topping

**Outlook:** Gold market looks in interim relief rally- Year end book squaring, thing volume. Physical demand in China, India, Japan, HK is too weak. China gold is traded at a premium around 12-15 usd as govt restricted gold import to control capital outflows. Technically speaking, gold looks rangebound and mild toppish. Near term support is seen at 62200, 61800, resistance at 62800-63200. Red sea war and J 1 covid is near term wild card. Gold long trade looks like a crowded trade. Gold production cost is 800-1200 depending upon location and age of mine. Any rate above 1300-1400 is risk premium. In the long run, gold may revisit 1100-1300 area. Time being anything above 1600 is risk premium only.

**Strategy:** Sold @ 62200-300. Part exit @ 62450, Part hold. We may re-establish sell exposure later. As of now, bias is to stay sideline with mild short bias. Short range is 61500-63200, Medium range 60500-64400 and long-term range is 54000-68000. COMEX short range is 1917-2139, Medium range 1770-2288. Big range 1440-2440. (1971-1980 range 135 to 851 to 380. 2000-2014 range is 252-1932-1045. 3<sup>rd</sup> cycle started in 2019 around 1230- recent high 2152, now 2057)

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
MCX Mini silver Feb	Sold	Sold @74500 New sell 75500	Book 50% around 74800	Open	Given later	73300-76600	Irregular swing

**Outlook:** Silver prices may witness unusual price swings. Head fake. चांदीमे हेड पेक मुक्स देखे जायेगे. जो की गुमराह करनेवाले होते हे. हेज पंडोको अपनी पोझिशन की वेल्यु बढानी होती हे तो थोडा कूछ विन्डो ड्रेसिंग होता हे. 31 डिसे क्वार्टर एन्डिंग भी हे ओर फायनान्सियल येर एन्ड भी हे इस लीये टेकसेशन, बोनस जेसे कारण टेम्परीरी भ्रामक मुक्स लाते हे उसे फंड मेनेजर हेड फेक भी कहते हे. Short term range is 74000-76000. Red sea frights are surged above 5 times.

**Strategy:** Sold @74500. Medium risk trader may add lightly @ cmp 75500. New average sell rate 75000. Keep total volume light- Maximum 60 kg. Minimum 15 kg. New sell average is 75000.

#### Base Metals

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
MCX Jan Copper	Exit dec- Short Jan	Sell Average 723-724	NA	Open	Given later	717-731	Volatility expansion

**Outlook:** Short term supply disruption and surge in freight rates

**Strategy:** Our sell average for Dec gold is 723. Exit short @ 726. Mkt price- Booked loss Rs 3 (7500 per lot) Immediately sell Jan @ mkt- Means new sell entry is 734. NOW NEW SELL AVERAGE IS 731.

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
MCX Jan mini Alu	Buy	202.50-203	204.80-205	205.80-206	Given after 6 pm.	200-205	Oversold

**Outlook:** Aluminum market looks weak; however, a mild technical bounce is likely. China big banks may cut deposit rates. Govt is giving continuous support to economy. If there is any softening in US-EU rates, some risk on rally may be seen in 1<sup>st</sup> Q 2024. Alu and Zinc and Nickle are most distressed metals. Zinc may outperform if any rate cuts happen. For deep pockets prop desks- Long Zinc and short Alu could be a risky but worth bet. Current spread is around 22-23, Spread may expand towards 35-40. (Life time high low is too wide- we would send special spread chart next Monday.

**Strategy:** 2 trades may be done. Plain long trade- Buy around 202.50. Spread trade. Sell Jan Alu and Buy Jan zinc at current set up 22.50-23. Closing basis SL 15. Tgt open. Trade is directional- 4-12 week. Lot size 10 mini to 30 mini. Minimum 10- Maximum 30. Strictly in mini products.

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
MCX Jan Mini Zinc	Buy	225.60-80	227-227.20	230	Given later	224-232	Trendless

**Outlook:** Zinc prices may turn volatile again amid index fund roll and rebalancing in Jan 2024.

**Strategy:** Buy on dips.

#### Bullion Index

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
MCX Dec Bulldex	Sold	16200					

**Outlook:** Random moves. Exit @ mkt price. We will sell again on Tuesday.

**Strategy:** Sold @ 16200 last week. Exit @ mkt price. Book loss. Small loss. We will sell again on Tuesday. Next week is last week of the year. May be super dull or super volatile.

#### Oil & Gas

Commodity	Strategy	Entry	Target 1	Target 2	Sl	Tech Range	Tec. Trend
MCX Mini Jan oil	No call	NA	NA	NA	NA	6000-6500	No view

**Outlook:** Temporary war risk increase. Long term view is bearish. Angola has left OPEC. We expect more countries may quit in next 2-3 years. Saudi and Russia are crossing their limits in energy blackmailing. Saudi is super rich but poor oil producers like Angola, Libya, Iraq, Venezuela are not able to cop up with deep production cut. Last time OPEC break up happened in 1986. US shale oil and gas production is booming.

**Strategy:** No call.

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
MCX Mini Jan Gas	No call	NA	NA	NA	NA	180-220	Bearish

**Outlook:** Supply glut is increasing. Supply seen far exceeding demand. As of now market is erratic due to war risk. No call.

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