

Aug 3, 2020



Team
Commodities, FX Research - JMFS

Research Analyst
Vicky Sajnani
Email: vicky.sajnani@jmfl.com
Tel: (91 22) 6704 3015

Fed's Kashkari for "hard" lockdown...

Gold Oct futures on COMEX are quoting at about USD 1977/troy ounce and silver futures are quoting at USD 24.40/troy ounce. Crude oil futures on NYMEX are quoting at USD 39.95/bbl on NYMEX (WTI), while DXY is quoting at 93.49.

The surging U.S. savings rate means the country can afford to support Americans laid off due to the coronavirus pandemic, while a "hard" lockdown could deliver a faster economic recovery, a senior Federal Reserve official said on Sunday, as per Bloomberg sources.

Crude oil futures are below USD 40/bbl as the market braced for more supply from OPEC and its allies, with many regions across the world still struggling to contain the pandemic. Natural gas rose to the highest in about a month amid forecasts for warmer US weather.

Source: Bloomberg

MCX Update

Commodity	Contract	Closing Price	% Change
Bullion			
Gold	Oct	53,445.00	1.26
Silver	Sep	64,984.00	3.69
Base Metals			
Copper	Aug	500.75	-1.33
Zinc	Aug	184.00	0.88
Lead	Aug	149.20	-0.03
Nickel	Aug	1,041.90	-0.11
Energy			
Crude Oil	Aug	3,023.00	1.04
Natural Gas	Aug	135.60	-1.45

Source: MCX, Bloomberg.

Pivotal Levels

Commodity	Contract	S1	S2	R1	R2
Bullion					
Gold	Oct	52,800	52,550	53,600	54,000
Silver	Sep	64,600	63,000	65,850	66,160
Base Metals					
Copper	Aug	498	489	505	511
Zinc	Aug	181.50	180.10	183.50	184.20
Lead	Aug	148.50	147.30	149.80	150.50
Nickel	Aug	1,035	1,028	1,048	1,055
Energy					
Crude Oil	Aug	3,000	2,960	3,060	3,120
Natural Gas	Aug	135.50	133.10	138.50	140.60

Source: JMFS Research, Bloomberg.

Economic Calendar

Country	Time	Data Released
US	19:15	PMI
US	19:30	ISM Mfg Index

Source: Bloomberg.

Glossary

Term	Description
OI	Open Interest
EIA	Energy Information Administration
VIX	Volatility Index
Basis	Difference between spot & futures
FII	Foreign Institutional Investor
DII	Domestic Institutional Investors
Pro	Proprietary trades
CE	Calls
PE	Puts
IV	Implied Volatility
CME	Chicago Mercantile Exchange
COMEX	CME – BULLION division
NYMEX	New York Mercantile Exchange

Disclaimer

Important Disclosures and Disclaimers

The Research Analyst(s), with respect to each securities covered by them in this research report, certify that:

All of the views expressed in this report accurately reflect his or her or their personal views about all the securities; and
No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

JM Financial Services Ltd (“JMFS”) is the dedicated financial services arm of the JM Financial Group catering to the investment needs of Corporates, High Net-worth and Retail Investors. It has a comprehensive team of Relationship Managers, Product Specialists, and Research Analysts for providing comprehensive brokerage, wealth management and investment advisory services to institutions, banks, corporates and high net-worth individuals. It offers a wide range of investment options such as Equity, Derivatives, Portfolio Management Services, Mutual Funds Distribution and IPOs to its clients. The details of various business interests of JMFS are available on www.jmfinancialservices.in. JMFS is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of BSE Ltd., National Stock Exchange of India Ltd., Metropolitan Stock Exchange of India Ltd., Multi Commodity Exchange of India Ltd. and National Commodity & Derivatives Exchange Ltd. It is also registered with SEBI as a Portfolio Manager, a Depository Participant and an Investment Adviser and with Association of Mutual Funds in India (AMFI) as Mutual Fund Distributor.

No disciplinary action has been taken by SEBI against JMFS in the past **two financial years** which may impact the investment decision making of the investor.

JMFS and/or its associates might have provided or may provide services in respect of managing/ co-managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other services w.r.t. the securities covered herein. JMFS and/or its associates might have received during the past twelve months or may receive compensation for rendering any of the above services. JMFS and/or its associates have not received any compensation or other benefits from any third party in connection with preparation of this research report.

JMFS and/or its associates, their directors, research analyst and employees may: (a) from time to time, have a long or short position in, and buy or sell the securities mentioned herein; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments w.r.t. the securities covered under this research report; or (c) act as an advisor or lender/borrower to, or may have any financial interest in the securities; or (d) considering the nature of business/activities that JMFS and/or its associates are engaged in, they may have potential conflict of interest at the time of issue of this research report w.r.t. the securities.

Neither JMFS nor its associates owns one per cent or more securities covered under this research report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of the research report on securities covered under this research report or their relatives (as defined under SEBI (Research Analysts) Regulations, 2014): (a) do not own one per cent or more securities covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014. (b) do not have any financial interest in the securities covered under this report; (c) did not receive any compensation w.r.t. the securities covered under this report in the past twelve months; (d) did not receive any compensation from any third party, in connection with this report; (e) do not have any other material conflict of interest at the time of issue of this report.

This research report has been prepared by JMFS to provide information about the securities and sector(s), if any, covered in the research report and may be distributed by it and/or its associates solely for the purpose of information and meant for the select recipient of this report. This research report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. This research report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JMFS.

Disclaimer

In rendering the information in this research report, JMFS assumed and has relied upon, without independent verification, the accuracy and completeness of all information that was publicly available to it. The information has been obtained from the sources it believes to be reliable as to the accuracy or completeness. While reasonable care has been taken in the preparation of this research report and the information is given in good faith, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JMFS does not represent or warrant its accuracy or completeness. JMFS may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this research report. The information given in this research report is as of the date of this research report and there can be no assurance that future results or events will be consistent with this information. This research report is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The contents of this research report are not made with regard to the specific investment objectives, financial situation or the particular needs of any particular person. The user must know and appreciate that dealing/investment in securities market have varying element of risk and it is generally not an appropriate avenue for someone with limited resources/ limited investment and/ or trading experience and low risk tolerance. The user should, therefore, make his/her/its own independent judgment based on his/her/its specific investment objectives and financial position and also consult its own advisors, with respect to any matter contained herein and also to determine the merits and risks of investing in securities market. The user should carefully consider whether trading in securities market is suitable for him/her in the light of his/her financial condition. Any action taken by the recipient based on the aforesaid research report and suffers adverse consequences or loss, he/she/it shall be solely responsible for the same. JMFS expressly disclaim any liability and responsibility for any losses arising from any uses to which this communications is out and for any errors or omissions in this communications and JMFS and its affiliates/associates/employees and directors shall not be responsible, in any manner whatsoever, for the same. The user assumes the entire risk of any use made of this information.

The information contained herein may be changed without notice and JMFS reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. This research report is relevant as on the date of its issuance or the period specified, if any, in the report and the same may not be relevant thereafter. Hence, the recipient should not use the content of the research report after the date of the report or the period specified, if any, in the report.

Investments in securities are subject to market risk, economic risk, interest rate risks, credit risks, political and geopolitical risks, currency risks, country risks and risks arising from changing business dynamics. The performance of securities covered herein may be adversely affected by numerous factors including, for example, (i) business, economic, and political conditions; (ii) the supply of and demand for the goods and services produced, provided, or sold by the companies; (iii) changes and advances in technology that may, among other things, render goods and services sold by the companies obsolete; and (iv) actual and potential competition from other companies, whether in India or abroad. (v) Certain companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all. (vi) adverse news about the company/sector, (vii) poor results of the company (ix) unforeseen force majeure events like war, hostilities, revolution, riots, civil commotion, strikes, lockouts, epidemic, fire, explosion, flood, earthquake, act of God, any act of Government or any such other cause. Hence, there is no assurance, insurance, commitment, confirmation or guarantee that the forecast, recommendation, opinion, targets, etc. given about the securities in this research report will be achieved. Forward looking statements are not predictions and may be subject to change without notice.

Trading recommendations based on quantitative analysis, if any, are based on index/stock's momentum, price movement, trading volume and other volatility parameters, as opposed to study of macro-economic scenario. Hence, trading recommendations may be inconsistent with and reach different conclusion from the information contained in the reports issued based on fundamentals.

This research report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JMFS and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this research report may come, are required to inform themselves of and to observe such restrictions.

Persons who receive this research report may contact Mr. Vicky Sajnani (vicky.sajnani@jmfl.com) on 6704 0404 in respect of any matters arising from, or in connection with, this research report.

Our Network

Regd Office: 7th Floor, Cnergy, Appasaheb Marathe, Marg, Prabhadevi, Mumbai - 400 025. Tel.: (022) 6630 3030. | Corporate Office: 5th Floor, Cnergy, Appasaheb Marathe, Marg, Prabhadevi, Mumbai - 400 025. Tel.: (022) 6704 0404 . | Admin. Office: 1st & 2nd Floor, B Wing, Suashish IT Park, Plot No. 68 E, Off. Dattapada Road, Opp. Tata Steel, Borivali (East), Mumbai - 400 066. Tel.: (022) 6761 7000.

<p>Mumbai - Andheri: 3rd Floor, Dhanashree Heights, Behind Axis Bank, Azad Nagar No-2, Veera Desai Road, Andheri (West), Mumbai - 400 053. Tel.: (022) 6619 1600.</p>	<p>Mumbai - Vile Parle: 602, 6th Floor, Kingston, Tejpal Road, Near Railway Crossing, Vile Parle (East), Mumbai - 400 057. Tel.: (022) 2663 6700.</p>	<p>Guntur: Sreenivasam, 2nd floor, D.No.: 5-80-2, 1st Line, Ashok Nagar, Guntur - 522 007. Tel.: (0863) 237 7800.</p>	<p>Noida: Office No.1007, 10th Flr, Wave Silver Tower, Opp. Metro Station, Sector - 18, Noida - 201 301. Tel.: (0120) 718 4710</p>
<p>Mumbai - Borivali: (Primary Products Distribution only) 101, 1st Floor, Abhilasha II CHS Ltd., Punjabi Lane, Off. Chandavarkar Road, Borivali (W), Mumbai - 400 092. Tel.: (022) 2968 6700.</p>	<p>Ahmedabad - Ashram Road: G-10/301, Chinubhai Center, Near Nehru bridge Corner, Ashram Road, Ahmedabad-380 009. Tel.: (079) 2657 6666 / 3001 3700.</p>	<p>Gurugram: Office No 316, 3rd Floor, MGF Metropolis Mall, Sector 28, Main Mehrauli Gurgaon Road, Gurugram - 122 001. Tel.: (0124) 471 7600.</p>	<p>Pune: 3rd Flr, 302, Vishwa Developers, Next to ICICI Bank, Ghole Rd, Shivaji Nagar, Pune - 411 005. Tel.: (020) 6760 2400.</p>
<p>Mumbai - Borivali: G-1, Borivali Neelkanth Nagar CHS Ltd., "A" wing, S.V. Road, Near Sumer Nagar Fly Over, Borivali (West), Mumbai - 400 092. Tel.: (022) 6270 8900.</p>	<p>Ahmedabad - Himalaya Emerald: 201, 2nd Floor, Himalaya Emerald, 132 Feet Ring Road, Near IOC Petrol Pump, Shivranjani Char Rasta, Satellite, Ahmedabad - 380 015. Tel.: (079) 4982 6600.</p>	<p>Hyderabad: 6-3-1090/1/1, Uma Hyderabad House, 2nd Flr., Somajiguda, Hyderabad - 500 082. Tel.: (040) 4010 5875.</p>	<p>Rajkot: 202, 2nd Floor, Solitaire, Swami Vivekananda Marg, Nr. Municipal Commissioner's Bungalow, Ramakrishna Nagar, Rajkot-360 002. Tel.: (0281) 619 4000.</p>
<p>Mumbai - Fort: (Primary Products Distribution only) 2, 3 & 4 Kamanwala Chambers, Sir P M Road, Fort, Mumbai-400 001. Tel.: (022) 3021 3500 / 6136 3400.</p>	<p>Bengaluru - Basappa Complex: No. 40/1A, 4th Floor, Basappa Complex, Lavelle Road, Bengaluru - 560 001. Tel.: (080) 4927 2400.</p>	<p>Indore: UG 7 & 8, Ground Floor, D.M.Tower, 21/1 Race Course Road, Indore - 452 004. Tel.: (0731) 474 2100.</p>	<p>Secunderabad: 305, 3rd Floor, Jade Arcade, Opp. Paradise Hotel, M.G. Road, Secunderabad-500 003. Tel.: (040) 4010 5200</p>
<p>Mumbai - Ghatkopar: 422/423/424/425, 4th Floor, Kailash Plaza, Vallabh Baugh Lane, Ghatkopar (East), Mumbai-400 077. Tel.: (022) 4505 8700.</p>	<p>Bengaluru - Indira Nagar 1 & 2: 709, 80 Feet Road, 7th Main, Indira Nagar, Bangalore -560 008. Tel.: (080) 4684 4500.</p>	<p>Jaipur: G-7 & G-8, Plot No. K-13, Brij Anukampa, Ashok Marg, C-Scheme, Jaipur - 302 001. Tel.: (0141) 438 4400.</p>	<p>Surat: International Commerce Centre, A wing, 2nd Floor, 202, Near Majura Gate, Ring Road, Surat - 395 002. Tel.: (0261) 408 1700.</p>
<p>Mumbai - Ghatkopar: (Primary Products Distribution only) Atlantic Commercial Tower, 211, 2nd Floor, RB Mehta Marg, Near Patel Chowk & Jain Mandir, Ghatkopar (East), Mumbai - 400 077. Tel.: (022) 2501 3607.</p>	<p>Bengaluru - Malleshwaram: 199, 1st & 2nd Floor, Yathi Raj Mutt Building, 11th Cross, Malleshwaram, Bengaluru - 560 003. Tel.: (080) 4923 0500.</p>	<p>Kolkatta: 8th Floor, Kankaria Estate, 6 Little Russell Street, Kolkatta - 700 071. Tel.: (033) 4031 0330</p>	<p>Tirupati: 174, 2nd floor, New Balaji Colony, AIR Bypass Road, Tirupati - 517 502, Andhra Pradesh. Tel.: (0877) 668 8100.</p>
<p>Mumbai - Malad: Shop No. 1&2, Prathampad CHS, Opp. OBC Bank, Evershine Nagar, Malad (West), Mumbai-400 064. Tel.: (022) 6171 6300.</p>	<p>Chandigarh: Unit No. 513, 5th Floor, Elante Office Complex, 178 - 178 A, Industrial Area Phase - 1, Chandigarh - 160 002. Tel.: (0172) 403 5500.</p>	<p>Lucknow: Eldeco Corporate Tower, 701, 7th Floor, Vibhuti Khand, Gomtinagar, Lucknow - 226010. Tel.: (0522) 4933 250</p>	<p>Vadodara: G1-Ground Floor, "Soham", 49 Alkapuri Society, Opp. HDFC Bank, Alkapuri, Vadodara - 390007. Tel.: (0265) 619 1300</p>
<p>Mumbai - Malad: (Primary Products Distribution only) Office No. 8, 1st Floor, Abhishek Commercial Complex, Above Dena Bank, Plot No. 104, S.V. Road, Malad (West), Mumbai - 400 064. Tel.: (022) 2882 2832.</p>	<p>Chennai: Seethakathi Business Centre, Unit No. 216, Second Floor, 684-690, Anna Salai (Mount Road), Chennai - 600 002. Tel.: (044) 2829 9888.</p>	<p>Nellore: Dr. Anilreddy Building, D. No. 16-2-232, 4th Flr, Gandhi Nagar, Pogathota, Nellore - 524001. Tel.: (0861) 235 8299</p>	<p>Vizag: Door No: 9-1-224/4/3, 1st Floor, Nandan Nirman, CBM Compound, Near Rama Talkies Junction, Visakhapatnam - 530 003. Tel.: (0891) 660 3800</p>
<p>Mumbai - Vashi: 328, 3rd Floor, Vardhman Market, Sector 17, Vashi, Navi Mumbai - 400 703. Tel.: (022) 6632 9200.</p>	<p>Coimbatore: 3rd Floor, AMI Midtown, 25A-4, DB Road, R S Puram, Coimbatore - 641 002. Tel.: (0422) 402 2400.</p>	<p>New Delhi: 5D/G/H, 5th Floor, Hansalaya Building, 15, Barakhamba Road, New Delhi - 110 001. Tel.: (011) 4953 7800.</p>	

JM Financial Services Ltd. - Research Analyst. Corporate Identity Number : U67120MH1998PLC115415 | Compliance officer: ManishkumarSabu, Tel: 022- 67617400, Email: manish.sabu@jmfl.com
 Research Analyst - INH000001196 | Stock Broker - INZ000195834 (NSE Member Code 10548 | BSE Clearing No. 325 | MSEI Membership No.58300 | MCX Member ID 56555 | NCDEX TMID -1282) | Depository Participant - NSDL - IN-DP-NSDL-241-2004 | CDSL - IN-DP-CDSL-236-2004 | PMS - INP000000621 | AMFI - ARN0002 | Investment Adviser - INA000012351