

# Commodity Overview

06-09-2024



# Commodity Overview



## Technical levels:

**GOLD** : Technically, an upside move is expected in gold today. It has support at 71000 and resistance at 72300.

**SILVER** : Weak job market data has supported the silver prices and the uptrend may continue in today's session. Silver has support at 83000 and resistance at 87000.

## Gold & Silver overview:

Global physically backed gold exchange-traded funds (ETFs) recorded their fourth consecutive month of inflows in August, driven primarily by increased holdings in funds listed in North America and Europe, the World Gold Council (WGC) said on Thursday. In August, gold ETFs added 28.5 tons, bringing their total holdings to 3,182 tons, as per the WGC. The rise in gold prices and the recent inflows pushed total assets under management to \$257.3 billion in August. The report also added that the global gold trading volumes fell by 3.2% in August compared to the previous month. However, activity in over-the-counter market increased by 5.9%.

Silver prices in MCX gained around 1.7% yesterday, as private sector employment in the US declined to 99,000 in August and annual pay was up 4.8% year-over-year, ADP reported on Thursday. This reading followed the 111,000-increase recorded in July and missed the market expectation of 145,000 by a wide margin. The US Dollar came under selling pressure with the immediate reaction to the disappointing ADP employment data.

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## Crude oil & Natural gas overview:

The OPEC+ has agreed to delay a planned oil output increase for October and November after crude prices hit their lowest in nine months, three sources from the producers' group told Reuters on Thursday. Oil prices have been falling along with other asset classes on concerns about a weak global economy and soft data from China, the world's biggest oil importer.

The natural gas market rallied again in the previous trading session, as prices continued to show lot of noisy action. The time of year could be a factor, as futures traders are now starting to focus on cooler months. As temperatures drop, natural gas continues to rise overall as it is most certainly a market that is cyclical in nature.

### Technical levels:

**CRUDE OIL:** The downtrend is likely to continue in crude oil today. It has next support at 5700 and resistance at 6000.

**NATURAL GAS:** Technically, prices are looking firm and buying can be initiated on small price correction. Natural gas has support at 180 and resistance at 200.

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COPPER1!+ALUMINIUM1!+ZINC1!, 1D, MCX O1,263.55 H1,278.50 L1,251.20 C1,269.25 +3.90 (+0.31%) Vol18.869K



## Base metals overview:

US employment data was mixed. August ADP employment increased by 99,000, below expectations and marking the smallest gain since January 2021. However, initial jobless claims for the week ending August 31 were lower than expected. The US dollar index weakened amid concerns, which supported copper prices.

the China-Africa Cooperation Forum - Beijing Action Plan (Summary) indicated that the Chinese government is willing to provide 360 billion yuan in funding over the next three years, offering new energy technology and products, and implementing 30 clean energy and green development projects, which may lead to an optimistic demand outlook. Additionally, the central bank indicated that there is still room for RRR cuts, providing further support for copper prices.

## Technical levels:

**COPPER:** Copper closed 1% higher yesterday after forming a spinning top candle. The 778 level is key support, while continued bullish momentum may face resistance at 810.

**ZINC:** Zinc extended its fall with heavy volume, retracing 50% of the previous swing and approaching the 0.618 Fibonacci level. Key support is at 255, with resistance at 260.

**ALUMINIUM:** Aluminum formed another spinning top, indicating buying pressure from lower levels. The 217 support will be crucial to watch for any further movement.

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