

# Commodity Overview

08-10-2024



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GOLD1!+SILVER1!, 1D, MCX O169,166 H169,636 L167,315 C168,402 -1,090 (-0.64%) Vol23.188K  
Vol (50) 23.188K



## Gold & Silver overview:

Gold prices remained down yesterday as better US economic data force traders to book profit. While, China's central bank held back on buying gold for its reserves for a fifth straight month in September, official data showed on Monday, mainly due to a surge in prices for the yellow metal. Gold prices have risen around 28% so far this year - heading for the biggest annual gain in 14 years. Global central banks, which actively bought gold in 2022-2023, are on track to slow purchases in 2024 from 2023, according to the World Gold Council, but to keep them above the pre-2022 level. This is partly due to the pause in purchases by the People's Bank of China (PBOC), which until May had bought gold for 18 consecutive months.

Silver prices remained down by 1.30% in MCX on Monday, and were nursing a tumble from record highs as strong U.S. payrolls data fueled bets on a smaller interest rate cut by the Federal Reserve. The precious metals fell from record highs as the dollar and U.S. Treasury yields shot up on the strong payrolls data, which saw traders largely scale back bets the Fed will cut interest rates by 50 basis points again. Focus this week is on a slew of signals from the Fed and the U.S. economy, both of which are likely to factor into interest rates.

## Technical levels:

**GOLD :** Technically, profit booking may continue in today's session. Gold has resistance at 76500 and support at 75000.

**SILVER :** A range-bound to the downside move is expected in silver today. It has support at 90000 and resistance at 95000.

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CRUDEOIL1!+NATURALGAS1!, 1D, MCX O6,501 H6,734 L6,457 C6,705 +126 (+1.91%) Vol147.186K  
Vol (50) 147.186K



## Crude oil & Natural gas overview:

Oil prices extended gains on Monday, with Brent nearing \$80 to build on last week's steepest weekly jump since early 2023, driven by fears of a wider Middle East conflict and potential disruption to exports from the major oil-producing region. OPEC+, are due to start raising production from December after cutting in recent years to support prices because of weak global demand.

Natural gas futures plunged on Monday as traders responded to the potential for significant demand destruction caused by Hurricane Milton. After reaching a multi-month high of 254 last week, natural gas prices in MCX faced resistance between 250 and 260 and dropped sharply as the storm threatened to impact energy consumption in the affected regions.

## Technical levels:

**CRUDE OIL:** Technically, the upside move is likely to continue in crude oil today. Crude oil has support at 6100 and resistance at 6600.

**NATURAL GAS:** Technically, a gravestone doji candle may put pressure on natural gas prices today. It has support at 220 and resistance at 255.

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## Base metals overview:

After the non-farm payrolls data release, the likelihood of a 50 basis point interest rate cut by the US Fed this year decreased. US Fed officials indicated a greater possibility of further rate cuts, but traders expect less than a 50 basis point cut this year. The US dollar index rose significantly, suppressing copper prices. Additionally, sources indicated that Israel would soon retaliate against Iran, and Iran's Tasnim News Agency stated that Iran has prepared 10 plans to respond to potential Israeli attacks, further escalating tensions in the Middle East. Meanwhile, domestically, attention is on today's press conference by the National Development and Reform Commission. Fundamentally, on the last trading day before the holiday, downstream had mostly completed restocking, spot trading was sluggish, and with high copper prices, premiums fell. Copper cathode inventory began to build up again. The market is now focused on post-holiday developments, with expectations of a slight inventory build-up after the National Day holiday, and premiums are expected to be more likely to fall than rise.

## Technical levels:

**COPPER:** Copper is currently trading within a range of 866 to 845, indicating a pause after a strong bullish rally. A breakout on either side of this range could lead to a significant price movement.

**ZINC:** Zinc prices yesterday remained within the previous day's trading range. The 290 level is expected to act as resistance, while the 280 level will provide support.

**ALUMINUM:** Aluminum prices are currently trading within a range, following a sharp decline on Thursday. The 245 level is expected to act as resistance, while the 237 level will provide support.

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