

# Commodity Overview

10-09-2024



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GOLD11+SILVER11, 1D, MCX O154,471 H155,460 L153,378 C155,273 +1,090 (+0.71%) Vol17.392K  
Vol (50) 17.392K



## Technical levels:

**GOLD** : Technically, range-bound to upside movement is expected in gold today. It has support at 71000 and resistance at 72300.

**SILVER** : Technically, range-bound movement is expected in silver ahead of US CPI data which is scheduled tomorrow. Silver has support at 82000 and resistance at 85000.

## Gold & Silver overview:

Gold prices traded nearly flat on Monday as market participants remained cautious, awaiting this week's critical inflation reports to gauge the Federal Reserve's next move on interest rates. Following Friday's mixed U.S. jobs report, traders are assessing how upcoming inflation data will impact the Fed's decision. The dollar's strength reflects uncertainty over the size of the Fed's anticipated rate cut at its upcoming meeting.

Silver prices gained around 1% yesterday. However, the dollar's strength comes as traders reduce expectations for a larger Federal Reserve rate cut. After mixed U.S. jobs report, speculation about the extent of the Fed's policy easing has shifted. While employment growth in August underperformed expectations, wage growth remained robust, and the unemployment rate ticked lower. This fueled doubts over whether the Fed will cut by 50 basis points (bps) or settle for a smaller 25 bps reduction at its September meeting.

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## Technical levels:

**CRUDE OIL:** selling pressure is expected from resistance levels today. Crude oil has support at 5650 and resistance at 5920.

**NATURAL GAS:** Technically, prices may extend the selling momentum in today's session. It has support at 175 and resistance at 190.

## Crude oil & Natural gas overview:

Oil prices steadied on Monday as traders eyed the impact of a possible hurricane off the US Gulf Coast and gauged the market reaction to last week's nonfarm payrolls report. The US National Hurricane Center said over the weekend that a weather system in Gulf of Mexico is projected to turn into a hurricane prior to hitting the northwestern US Gulf Coast - a crucial region for American refining capacity. The OPEC+ oil producer group last week agreed to delay a planned output increase of 180,000 barrels per day for October by two months in reaction to tumbling crude prices, which has given a small support to the oil prices. However,

Natural gas futures traded lower on Monday, driven by concerns that a potential hurricane in the Gulf of Mexico may reduce demand by disrupting power supplies. The market has struggled to maintain momentum following a gap lower in early trading session yesterday. Despite a solid performance last week, traders are now focusing on weather disruptions and supply levels.

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## Base metals overview:

International oil prices rebounded as the market worried that Hurricane, expected to strike Louisiana on Wednesday, might damage the oil production and refining facilities along the US Gulf Coast, driving up copper prices as well. Additionally, it was reported that the US Fed plans to halve the capital requirement increase for large banks from an earlier 19% to 9%. The market eagerly awaits the release of the CPI data on Wednesday night, which might be a crucial indicator affecting the extent of the Fed's rate cuts.

It was noted that a significant amount of imported copper arrived at ports last weekend, with nearly half being hydro or non-registered sources. On the consumption side, with the decline in copper prices, downstream procurement increased, also driven by the upcoming Mid-Autumn Festival holiday, resulting in good consumption performance and significant destocking.

## Technical levels:

**COPPER:** Copper prices are currently trading within a narrow range. A breakout to either side could lead to a significant price movement. Traders are closely watching for a clear signal to determine the next direction.

**ZINC:** Zinc prices are approaching the unfilled gap of the previous rally. A spinning top candle suggests indecision. Support is at 251, while resistance is at 260. The direction of the next move may depend on the break of either level.

**ALUMINIUM:** Aluminum prices surged after finding support at 217. This bullish pattern suggests a potential upward trend. However, resistance at 223 may limit gains in the near term.

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