

Commodity Overview

10-10-2024



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GOLD1!+SILVER1!, 1D, MCX O164,271 H164,949 L163,125 C163,806 -84 (-0.05%) Vol19.389K
Vol (50) 19.389K



Gold & Silver overview:

Gold price remained steady with investors focusing on the FOMC Minutes of the September meeting which released yesterday. Fed officials almost unanimously (with only Michelle Bowman dissenting) voted for a sizable rate cut of 50 bps as they were more concerned about reviving job growth, with confidence that inflation is on track to return sustainably to the bank's target of 2%.

The investors will pay close attention to the US Consumer Price Index (CPI) data for September, which will be released today. According to forecast the annual core CPI – which excludes volatile food and energy prices – to have grown steadily by 3.2%. Annual headline CPI is expected to have decelerated further to 2.3% from 2.5% in August. Meanwhile, Dallas Fed Bank President Lorie Logan has warned that upside risks to inflation have not completely faded yet. When asked about the interest rate outlook, Logan supported for a gradual rate cut approach for remainder of the year.

Technical levels:

GOLD : Technically, the downside trend is likely to extend in today's session. Gold has resistance at 76000 and support at 74000.

SILVER : The day trend may remain downside in silver today. It has support at 86000 and resistance at 91000.

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CRUDEOIL1!+NATURALGAS1!, 1D, MCX O6,440 H6,485 L6,234 C6,342 -134 (-2.07%) Vol136.981K
Vol (50) 136.981K



Crude oil & Natural gas overview:

Oil prices fell yesterday as demand concerns countered the risk of supply disruption from conflict in the Middle East and Hurricane Milton in the United States. Oil prices plummeted more than 4% on Tuesday following reports that Lebanese military group Hezbollah was seeking a ceasefire with Israel, pointing to a potential de-escalation in the Middle East conflict. Geopolitical risk premium for the oil market have decreased slightly this week.

Natural gas prices extended the prior day's losses and fell more than 4% yesterday due to a latest bearish storage data forecast. The natural gas storage data will be posted today and storage is forecasted at 73bcf while previous week the data was posted at 55bcf. The expectation of rising stockpile amid lower demand due to hurricane, and potential de-escalation in the Middle-East putting pressure on the gas prices.

Technical levels:

CRUDE OIL: Technically, the day trend may remain range-bound to the downside today. Crude oil has support at 6000 and resistance at 6300.

NATURAL GAS: Technically, the day trend may remain down and prices are likely to test the next support levels. Natural gas has support at 216 and resistance at 226.

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Base metals overview:

The US Fed meeting minutes showed differences in the September interest rate cut, with some officials favoring a more gradual path to normal rates. Fed's Daly suggested there might be one or two more rate cuts this year. The US dollar index rose to a two-month high, putting pressure on copper prices. Fundamentally, although copper prices have clearly fallen, downstream purchasing sentiment remains lukewarm, mainly driven by just-in-time inventory replenishment. Post-holiday restocking demand has not yet significantly emerged. If copper prices continue to fall, consumption may pick up. Overall, with the high US dollar index and domestic consumption recovering slowly, copper prices face some upward pressure. If consumption recovers significantly in the near term, copper prices may stabilize.

Technical levels:

COPPER: Copper has continued its downward movement after the breakdown, filling the pending gap. The 815 level is expected to provide support, while the 842 level will act as resistance.

ZINC: Zinc prices are currently retesting a key support level, which coincides with the upper trend line of a downward channel. The main support is at 270, while resistance is expected at 284.

ALUMINIUM: Aluminum prices are showing signs of buying interest near the 230 level. A pending gap is expected to provide support, while the 237 level will act as resistance.

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