

Commodity Overview

24-09-2024



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GOLD1!+SILVER1!, 1D, MCX O164,382 H164,647 L162,324 C163,526 -649 (-0.40%) Vol28.557K



Technical levels:

GOLD : The uptrend may continue in gold today. It has resistance at 75000 and support at 73000.

SILVER : The trend in silver may remain range-bound today. It has support at 87000 and resistance at 90000.

Gold & Silver overview:

Gold prices remained near the record high as the yellow metal benefited from persistent cheer over lower U.S. interest rates, with uncertainty before a storm of cues this week also supporting prices. The yellow metal had surged to record highs last week after the Federal Reserve cut interest rates, and largely carried over this momentum. A softer dollar and Treasury yield also benefited broader metal markets.

The silver prices remained down by 1% yesterday despite the Fed cut rates by 50 basis points and signaled the beginning of an easing cycle that expects to bring rates lower by as much as 125 bps this year. More signals from the Fed and the U.S. economy are due this week. A slew of Fed members, most notably Chair Jerome Powell, are set to speak in the coming days. PCE price index data- the Fed's preferred inflation gauge- is also due on Friday, and is likely to factor into the central bank's plans to cut rates further. The most global central banks set to kick off easing cycles in tandem with the US Fed.

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Crude oil & Natural gas overview:

Oil prices slipped more than 2% yesterday despite worry about supply after tensions in the Middle East escalated and as the development of a tropical disturbance in the Gulf of Mexico shut in some production. However, an unexpected and sharp contraction in euro zone business activity this month as the bloc's dominant services industry flat lined while a downturn in manufacturing accelerated.

The natural gas price gained around 6% yesterday amid lot of volatility. The prices are trying to price in cooler temperatures, as there is an immediate threat of a hurricane in the Gulf of Mexico. The natural gas continues to show extreme upward pressure as market participants continue to see a lot of potential demand for natural gas in the coming days.

Technical levels:

CRUDE OIL: Technically, profit booking is expected in crude oil today. It has support at 5600 and resistance at 6100.

NATURAL GAS: The short-term upside move may continue in natural gas today. It has support at 205 and resistance at 223.

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Technical levels:

COPPER: Copper opened with a significant gap up near the 820 resistance level. However, it faced strong selling pressure, quickly retracing to the 800 support level. This sharp decline suggests potential bearish sentiment in the market.

ZINC: Zinc experienced a significant drop, finding support near the 263 level. If zinc breaks below this level, it could further decline to 260. However, a break above 272 would indicate a potential reversal.

ALUMINIUM: Aluminum, following a significant bearish candle yesterday, formed a bullish high wave candle. The 224 level is a crucial support to watch, while 235 is the potential resistance.

Base metals overview:

The preliminary US September S&P Global Manufacturing PMI recorded 47, lower than the expected 48.5, marking a 15-month low and contracting for the third consecutive month. The preliminary US September S&P Global Services PMI recorded 55.4, slightly above expectations but indicating slower growth. Following the data release, the US dollar index declined. Additionally, US Fed officials suggested potential future rate cuts, with several Fed policymakers scheduled to speak and economic data releases this week, potentially providing more market guidance. Fundamentals, supply side, spot copper cathode supply remained tight as previously arrived shipments struggled to enter the domestic trade market quickly. Demand side, pre-National Day restocking accelerated social inventory destocking.

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