

Commodity Overview

25-09-2024



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GOLD11+SILVER11, 1D, MCX O163,950 H167,799 L163,545 C167,396 +3,870 (+2.37%) Vol39.389K



Gold & Silver overview:

Major banks expect gold to extend its record-breaking price rally into 2025 because of a revival in large inflows to exchange-traded funds (ETFs) and expectations of additional interest rate cuts from prominent central banks around the world, including the U.S. Federal Reserve. The Fed began its easing cycle last week with a half-percentage-point rate cut, and forecast another 50 basis points of cuts by the end of this year and a full percentage point of cuts next year.

Silver prices have gained more than 3% in MCX yesterday as US dollar index and Treasury yields are falling continue due to the recent cuts in interest rate. The silver prices have recaptured the ground against Gold this month, in line with the improving trends in commodity demand sentiment, which supported by a combination of buying activity and macro funds re-engaging in the white metal, likely in relation to its recent underperformance relative to Gold.

Technical levels:

GOLD : The day trend may remain upside in gold today. It has resistance at 76000 and support at 74000.

SILVER : The trend in silver may remain upside today. It has support at 89000 and resistance at 93000.

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Crude oil & Natural gas overview:

Oil prices climbed about 2% to a three-week high on Tuesday on news of monetary stimulus from China, the world's top importer, and concerns that conflict in the Middle East could hit regional supply while another hurricane threatened supply in the U.S., the world's biggest crude producer. The Chinese government's announcement of its largest stimulus package since the pandemic, combined with the sudden rise of geopolitical tension in the Middle East, has reduced the bearish sentiment that dominated the oil markets in the past three weeks.

The bullish outlook is propelled by inventory levels, geopolitical tensions, and weather-related disruptions in 2024, which influenced the market's dynamics. The inventory data also pointed toward higher-than-expected demand, contributing to a bullish outlook for prices in the short term.

Technical levels:

CRUDE OIL: Technically, range-bound movement is expected in crude oil today. It has support at 5800 and resistance at 6100.

NATURAL GAS: The prices may remain range-bound in natural gas today. It has support at 220 and resistance at 250.

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Base metals overview:

The PBoC introduced a "policy package," announcing rate cuts, RRR cuts, reductions in existing mortgage rates, and lowering the minimum down payment for second homes. It is expected to further cut the RRR by 0.25%-0.5% within the year. For the first time, a monetary policy tool was created to support the stock market. The stimulus policy boosted market confidence in the outlook for international oil demand, leading to a rebound in international oil prices, with copper prices following suit. Additionally, Fed Governor Bowman stated that a cautious approach to further rate cuts would continue, and the possibility of stagnation in anti-inflation progress could not be ruled out. Concerns about the health of the labor market intensified among consumers, with the US consumer confidence index dropping significantly by 6.9 to 98.7, below expectations and marking the largest decline in three years, putting pressure on the US dollar index and benefiting copper prices.

Technical levels:

COPPER: Copper stock opened strongly, breaking above the neckline of a double bottom pattern. This bullish signal has potential for further upside. Support lies at 822, while resistance is at 850.

ZINC: Zinc stock showed a bullish breakout yesterday, closing above a downward sloping channel. This positive signal indicates potential for further upside. Support is at 266, while resistance lies at 280.

ALUMINUM: Aluminum stock displayed a strong bullish signal yesterday, closing with a positive candle. Support is at 230, while resistance lies at 238.

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