

Commodity Overview

26-09-2024



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GOLD1!+SILVER1!, 1D, MCX O167,401 H168,935 L166,412 C167,358 -38 (-0.02%) Vol26.222K



Gold & Silver overview:

Gold prices extended their record-high run into Asian trade on Wednesday as persistent optimism over lower U.S. interest rates weighed on the dollar, with more cues on the U.S. economy due in the coming days. The prospect of lower interest rates was a key support point for gold, as traders priced in a lower opportunity cost for investing in non-yielding assets. A slew of Fed speakers is set to offer up more cues on interest rates this week, especially an address by Chair Jerome Powell today.

Silver prices remained down slightly yesterday as market is awaiting PCE price index data- the Fed's preferred inflation gauge- is due on Friday and is also expected to factor into the central bank's plans for rates. Banks forecast that Fed is likely to lower rates by a total of 125 basis points after a 50-bps reduction last week. While, cuts of 25 bps during every meeting from November and until June 2025, is also expected. Weak US consumer confidence, especially regarding the labor market boosted speculation of another half-point Fed cut in November when the central bank meets again. This weighed on the dollar.

Technical levels:

GOLD : Profit booking is expected in gold today ahead of Chair Powell speech. Gold has resistance at 76000 and support at 74000.

SILVER : However, recovery in the US dollar index put mild pressure on silver prices, which may continue in today's session. Silver has support at 90000 and resistance at 93000.

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CRUDEOIL1!+NATURALGAS1!, 1D, MCX O6,176 H6,225 L6,033 C6,058 -139 (-2.24%) Vol48.138K



Crude oil & Natural gas overview:

Crude oil prices fell yesterday, after the Energy Information Administration reported an inventory decline of 4.5 million barrels for the week to September 20. The change compares with a draw of 1.6 million barrels for the previous week, which in turn followed a small inventory build of less than 1 million barrels that nevertheless weighed on prices. The inventory data stood at -4.5M against -1.6M previous week. While, it was forecasted at -1.3M. Despite, draw in inventory and big Chinese stimulus, prices have seen profit booking yesterday.

The natural gas prices have rallied again based on the expectation of favorable weather conditions in the Gulf of Mexico, which could shut down a bit of production. Furthermore, the winter session is knocking the door and the temperature will turn cooler which may increase the demand of natural gas.

Technical levels:

CRUDE OIL: Technically, range-bound to the downside move is expected in crude oil today. It has support at 5700 and resistance at 6000.

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

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COPPER1!+ALUMINIUM1!+ZINC1!, 1D, MCX O1,347.15 H1,358.25 L1,339.55 C1,348.45 +1.55 (+0.12%) Vol15.12K



Technical levels:

COPPER: Copper prices continued their bullish rally, with strong follow-up movement. Support is at 227, and resistance is at 850.

ZINC: Zinc prices surged but yesterday followed by profit-taking. The overall trend remains bullish, with support at 266 and resistance at 280.

ALUMINIUM: Aluminum prices faced selling pressure from higher levels. Resistance is at 238, and support is at 230.

Base metals overview:

The US will release weekly initial jobless claims and August core PCE in the next two days, which may provide more market guidance. Before the data release, the US dollar index rebounded, putting pressure on copper prices. Additionally, the prospect of Libya's supply recovery and persistent demand concerns led to weaker international crude oil prices, dragging copper prices down. Fundamentally, supply side, as copper prices continued to rise, traders' pessimism about future spot consumption resurfaced, leading to a noticeable increase in concentrated shipments.

Aluminum ingot inventory showing good destocking performance and downstream operations gradually recovering. However, caution is needed regarding post-holiday inventory accumulation risks. Overall, both domestic and international macro conditions are favorable, with stable to improving downstream operations during the domestic consumption peak season

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