

Commodity Overview

27-08-2024





Commodity Overview



GOLD1!+SILVER1!, 1D, MCX O156,776 H158,421 L156,607 C157,651 +663 (+0.42%) Vol19.249K



Gold & Silver overview:

The yellow metal had surged to record highs last week, headlining gains across metal markets as traders welcomed dovish comments from the Federal Reserve. Some safe haven demand also buoyed gold as ceasefire talks between Israel and Hamas yielded few results, while hostilities in the Middle East persisted. Gains in the yellow metal came as the dollar sank to a 13-month low, amid growing conviction that the Fed will begin trimming rates in September.

Silver kicked off the week with gains, climbing to \$30.50 and it sharply rose near to 86000 in MCX yesterday. Several key factors are fueling this rally, including growing demand across multiple regions and geopolitical tensions that are tightening supply. India's silver imports are expected to nearly double this year, driven by surging demand in the solar industry and for investment. Kyrgyzstan saw a dramatic 90-fold increase in silver exports during the first half of the year, underscoring the heightened global demand that is supporting prices.

Technical levels:

GOLD : Technically, gold prices may continue to upside today. Gold has support at 71000 and resistance at 73000.

SILVER : Technically, The trend in silver may remain upside today. It has resistance at 87000 and support at 84000.



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CRUDEOIL1!+NATURALGAS1!, 1D, MCX O6,490 H6,686 L6,482 C6,651 +189 (+2.92%) Vol49.467K



Crude oil & Natural gas overview:

Oil prices rose around 3% on Monday on reports of a near total production stoppage in Libya, adding to earlier gains on concerns that escalating conflict in the Middle East could disrupt regional oil supplies. Prices jumped after Libya's eastern-based government announced the closure of all oil fields on Monday, halting production and exports. The biggest risk for the oil market is probably a further drop in Libyan oil production due to political tensions in the country, with a risk that production could fall from current levels of 1 million barrels per day to zero.

Natural gas prices remained volatile yesterday and prices are stuck between 180 to 170 levels. The hot high pressure will rule much of the western, central, and southern US w/highs of upper 80s to 100s for strong demand. Overall, national demand in US will be moderate throughout this week, then increasing to High-Very High.

Technical levels:

CRUDE OIL: The prices have reached near the resistance levels which may put mild pressure on crude oil today. It has support at 6300 and resistance at 6600.

NATURAL GAS: Technically, prices are holding the support are and continue hovering above the support levels may push the prices upside in the coming days. It has support at 175 and resistance at 190.



Commodity Overview



COPPER1!+ALUMINIUM1!+ZINC1!, 1D, MCX O1,318.50 H1,324.25 L1,306.70 C1,315.05 +18.85 (+1.45%) Vol9.497K



Base metals overview:

The eastern Libyan government announced the cessation of all oil production and exports, causing international oil prices to surge, which in turn pushed copper prices up. Additionally, US Fed's Daly stated that it is appropriate to start cutting interest rates now, but it is too early to determine the extent of the cuts. Fundamentally, a large amount of imported copper flowed into domestic trade over the weekend, increasing the supply of copper cathode in the spot market, causing premiums to fall under pressure. On the consumption side, as copper prices rose, downstream buyers were hesitant to purchase, leading to inactive procurement.

Technical levels:

Copper: Copper broke above the 810 resistance, signaling a continuation of the trend. The next resistance is at 822, with support at 807.

Zinc: Zinc attempted to break the 270 resistance again but formed a small body candle. The 270 level remains crucial resistance, with support at 265.

Aluminum: Aluminum opened with a gap up but quickly faced selling pressure from higher levels. It may encounter resistance at 237, with support at 227.

As of Monday, August 26, SMM national copper stocks in major regions slightly decreased by 100 mt from last Thursday to 283,400 mt, continuing the destocking trend, but the decline significantly slowed down. Total stocks were still 206,000 mt higher YoY compared to 77,400 mt last year. In terms of prices, copper prices are expected to have some upward potential.

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