

Commodity Overview

27-09-2024



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GOLD1!+SILVER1!, 1D, MCX O167,386 H169,861 L167,099 C168,051 +693 (+0.41%) Vol39.208K
Vol (50) 39.208K



Gold & Silver overview:

The number of Americans filing new applications for unemployment benefits dropped to a four-month low last week, suggesting that the labor market remained fairly healthy. The US GDP data remained in line with expectation while Core Durable Goods Orders m/m rose to 0.5% from -0.2%. The better economic data has capped the gain of precious metals yesterday. The daily charts are showing signs of upside exhaustion and the weekly chart points to negative momentum divergence in overbought territory.

Silver prices gained slightly yesterday as Initial claims for state unemployment benefits dropped 4,000 last week to a seasonally adjusted 218,000 for the week ended Sept. 21, the lowest level since mid-May. The upbeat outlook on the economy was underscored by other data from US on Thursday showing corporate profits increased at a more robust pace than initially thought in the second quarter. Strong profit growth should help to underpin the labor market and potentially shield the economy from a recession. The economy's resilience could make it harder for the Federal Reserve to deliver another 50-basis points interest rate cut in November as some investors are hoping. The better economic data has capped the gain of precious metals yesterday.

Technical levels:

GOLD : However, day trend may remain upside as buying momentum is looking strong. Gold has resistance at 76000 and support at 75000.

SILVER : Silver may remain range-bound to the upside today. It has support at 91000 and resistance at 94000.

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Crude oil & Natural gas overview:

The Organization of the Petroleum Exporting Countries and its allies will go ahead with a planned oil production increase in December but first need to cut output to address overproduction by some members, two OPEC+ sources said on Thursday. OPEC+, is scheduled to raise output by 180,000 barrels per day in December. However, Russian Deputy Prime Minister refused to increase production on December. A panel of top ministers from OPEC+ called the Joint Ministerial Monitoring Committee is scheduled to meet on Oct. 2 to review the market and is not expected to make any changes to policy.

The natural gas prices fell more than 2% yesterday as working gas storage across the US was at 3,492 billion cubic feet in the week ending September 20, the Energy Information Administration (EIA) shared in a report published on Thursday. The figure represents an increase of 47 billion cubic feet compared to the previous reading. Gas stocks grew by 159 billion cubic feet when compared to the same period last year and were 233 billion cubic feet above the 5-year average of 3,259 billion cubic feet.

Technical levels:

CRUDE OIL: Technically, crude oil prices may remain range-bound today. It has support at 5500 and resistance at 5800.

NATURAL GAS: However, downside may remain limited and sideways trend is expected today. It has support at 220 and resistance at 243.

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COPPER1!+ALUMINIUM1!+ZINC1!, 1D, MCX O1,347.40 H1,385.45 L1,345.75 C1,384.10 +35.65 (+2.64%) Vol21.595K
Vol (50) 21.595K



Base metals overview:

The US Q2 real GDP annualized rate final value recorded 3%, consistent with expectations and previous values. Initial jobless claims for the week ending September 21 were 218,000, below the expected 225,000, marking a new low since the week of May 18. US Fed Governor Cook expressed full support for last week's 50 basis point rate cut, and the US dollar index fluctuated downward, benefiting copper prices. Additionally, after easing monetary policy to boost the economy, China announced fiscal stimulus measures, leading to gains in global stock markets and boosting copper prices. Fundamentally, supply side, the widening SHFE copper Backwardation structure led to increased selling by traders, combined with a large influx of imported goods, increasing copper cathode spot supply and putting pressure on premiums. Demand side, with copper prices fluctuating at highs, new orders from downstream decreased, and some downstream sectors had already completed restocking, leading to sluggish spot market transactions. However, social inventory continued to fall.

Technical levels:

COPPER: Copper prices maintained their upward trend yesterday, closing 2.5% higher. The next resistance is expected to be at 884, and the support at 822.

ZINC: Zinc prices surged yesterday, continuing their upward trend. The metal closed nearly 3% higher, reaching a new resistance level at 300. The next support is expected to be at 262.

ALUMINUM: Aluminum prices also rose yesterday, continuing their strong upward trend. The metal closed nearly 2.7% higher, reaching a new resistance level at 243. The next support is expected to be at 230.

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