Commodity Overview

27-11-2024

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Technical levels:

GOLD : Technically, gold prices may remain range-bound today. It has support at 74500 and resistance at 76000.

SILVER :A range-bound movement is expected in silver post FOMC meeting minutes. Silver has support at 86000 and resistance at 91000.

Gold & Silver overview:

Gold prices remained steady on Tuesday as threats of more trade tariffs from president-elect Donald Trump buoyed demand for safe havens, although a spike in the dollar limited any major metal gains. The yellow metal was nursing steep losses from the prior session after multiple reports suggested that a ceasefire between Israel and Lebanon was close, which dented safe haven demand.

Silver remained up marginally yesterday as Trump threatened to impose a 10% import tariff on China, and a 25% import on Canada and Mexico, claiming the measures were to stem the alleged inflow of illegal immigrants and illicit drugs through the U.S. border countries. His threats ramped up investor concerns over a renewed global trade war, especially with China. Still, bigger gains in gold were held back as the dollar surged after Trump's announcement. The greenback came back in sight of a two-year high hit last week, which capped the gain of precious metals.

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Crude oil & Natural gas overview:

Oil prices given up all the gain of early session of yesterday due to a potential ceasefire between Israel and Lebanon's Hezbollah, which had weighed on oil's risk premium. Prices fell sharply for tow consecutive day after multiple reports that Israel and Lebanon had agreed to the terms of a deal to end the Israel-Hezbollah conflict. A senior Israeli official said Israel looks set to approve a U.S. plan for a ceasefire on Tuesday. However, OPEC+ may consider leaving its current oil output cuts in place from Jan. 1 at its next meeting on Sunday. The producer group is already postponing hikes amid global demand worries

Natural gas remained steady as weather projections indicate normal conditions through November 27, followed by colder-than-normal temperatures from November 28 to December 7. Consequently, gas demand, including exports, is expected to rise significantly from 108.0 bcfd this week to 116.5 bcfd next week and 133.9 bcfd in two weeks.

Technical levels:

CRUDE OIL: Technically, the day trend may remain down in crude oil today. It has support at 5600 and resistance at 6000.

NATURAL GAS: Technically, the trend may remain upside in natural gas today. It has resistance at 321 and support at 270.

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Technical levels:

COPPER: Copper prices fluctuated yesterday, closing near the day's low. The next significant support level is at 795, while resistance is anticipated at 820.

ZINC: Zinc prices experienced a strong bullish rally but were unable to break through the immediate resistance level of 286. Support for the metal is currently at 276.

ALUMINUM: Aluminum opened lower and faced resistance at the 244 level. Support for the metal is currently at 238.

Base metals overview:

The US Fed's meeting minutes indicated that officials are inclined to cut interest rates gradually in the future, with some analysts already predicting a pause in rate cuts next month. Meanwhile, Trump promised to impose significant tariffs on Canada and Mexico. The US dollar index rebounded slightly, and all three major US stock indices closed higher, which was bearish for copper prices. Some analysts also noted that the inflation risk from the tariff hike could hinder the US Fed's rate cuts. Fundamentally, as trading shifted to cargoes with invoices dated next month yesterday, downstream buyers mostly sought cargoes with invoices dated this month. Some suppliers stood firm on quotes and were reluctant to sell, leading to overall poor market transactions. Recently, both imported and domestic copper arrivals in Guangdong have been low, and downstream orders in Guangdong have been strong, with some copper rod plants operating at full capacity. As a result, local inventories in Guangdong have almost depleted. Additionally, due to the still significant price spread between Shanghai and Guangdong, some east China cargoes are expected to move south, providing support for the bottom of the premiums. Price side, there remains significant macro uncertainty, and the market is awaiting more data from the US.

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Nirpendra Yadav
Sr. Research Analyst

Nirpendra Yadav

Digitally signed by Nirpendra Yadav
Date: 2024.11.27 08:27:29 +05'30'

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M/s. Bonanza Portfolio Ltd at Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: https://www.bonanzaonline.com
Research Analyst Regn No. INH100001666
SEBI Regn. No.: INZ000212137
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