

Commodity Overview

28-08-2024

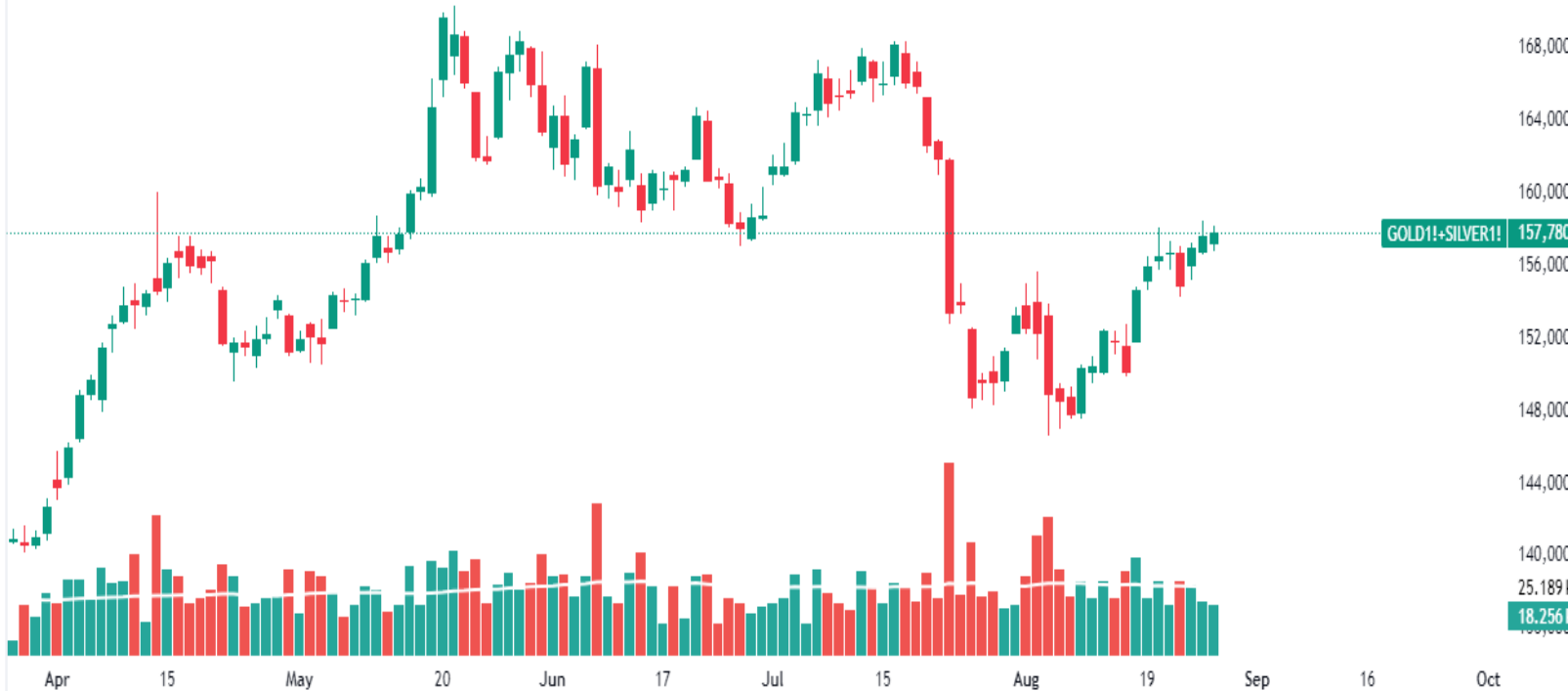




Commodity Overview



GOLD1!+SILVER1!, 1D, MCX O157,248 H158,129 L156,784 C157,780 +129 (+0.08%) Vol18.256K



Gold & Silver overview:

Gold prices fell in MCX on Tuesday amid some pressure from a rebound in the dollar, although the prospect of lower interest rates and increased safe haven demand kept the yellow metal in sight of recent peaks. Demand for gold came amid increasing confidence that the Federal Reserve will begin cutting interest rates in September, following a slew of dovish signals from the central bank.

Silver prices remained flat to negative yesterday. However, increased geopolitical risks also fueled safe haven demand for silver, as ceasefire talks between Israel and Hamas yielded little progress. Clashes between Ukraine and Russia continued, while a brewing conflict between eastern and western forces in Libya caused a spike in oil prices, further spooking markets. Precious metals fell on Tuesday, as a rebound in the dollar, from 13-month lows, also pressured the precious metals market.

Technical levels:

GOLD : Technically, the day trend in gold may remain sideways today. It has support at 71500 and resistance at 72300.

SILVER : An expectation of mild profit booking may keep the trend range-bound today. Silver has resistance at 87000 and support at 84000.



Commodity Overview



CRUDEOIL1!+NATURALGAS1!, 1D, MCX O6,616 H6,678 L6,497 C6,512 -139 (-2.09%) Vol37.787K



Crude oil & Natural gas overview:

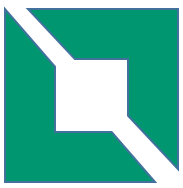
Oil prices slipped on Tuesday after rebounding more than 7% over the previous three sessions on supply concerns prompted by fears of widening Middle East conflict and a potential shutdown of most of Libya's oil fields. After the jump in oil prices on the back of geopolitical risk in the Middle East and a production halt in Libya, market participants are now holding back to assess further developments.

The natural gas market is likely to continue seeing a bit of negative pressure, as the market will have to price in the idea of the demand for natural gas plummeting, and at this point in time, the market is likely to continue to fall. The demand for natural gas just is not strong enough this time to get the market move upside for a longer term.

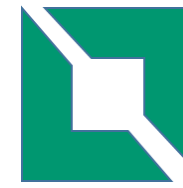
Technical levels:

CRUDE OIL: A range-bound to the downside move in the crude oil prices may continue today. It has support at 6250 and resistance at 6520.

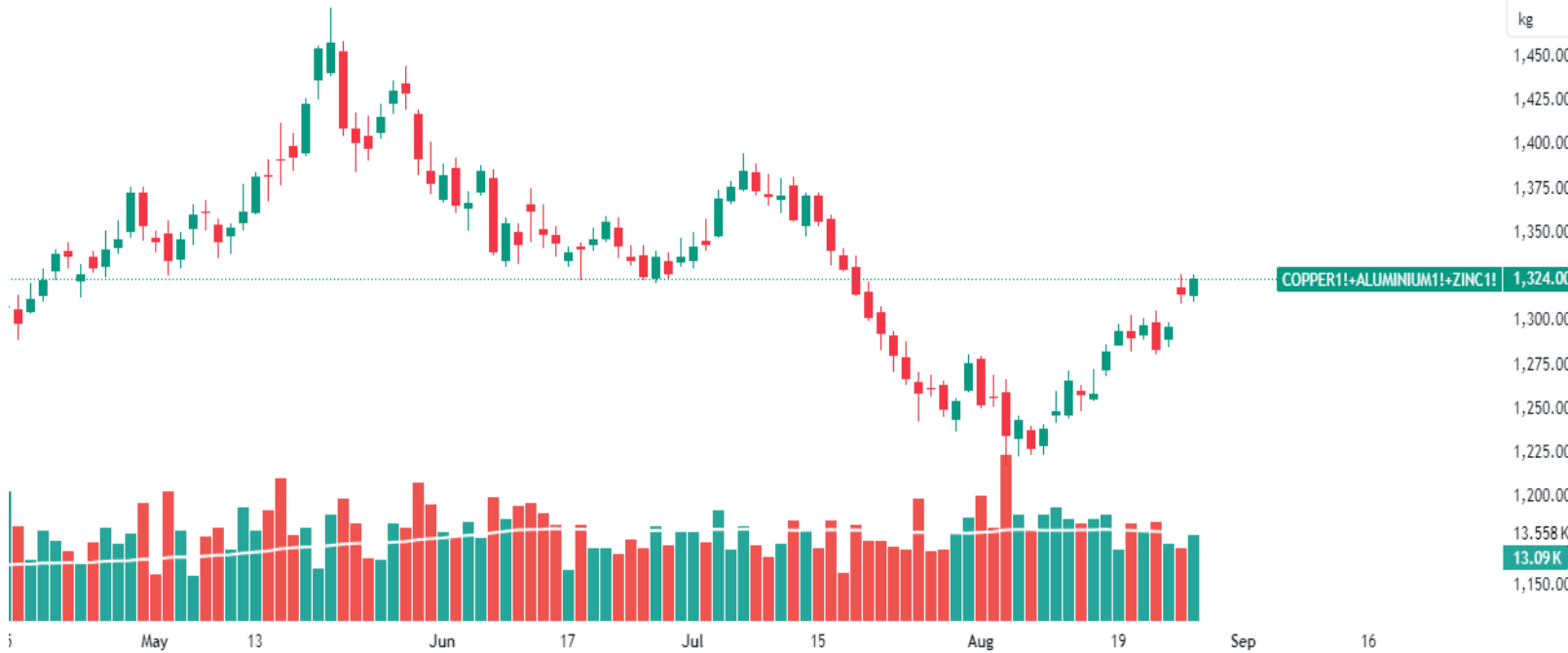
NATURAL GAS: Technically, prices are stuck in a range and awaiting a trigger which would give the new direction to the natural gas prices. meanwhile, prices may remain range-bound to the downside. It has support at 170 and resistance at 190.



Commodity Overview



COPPER1!+ALUMINIUM1!+ZINC1!, 1D, MCX O1,314.80 H1,326.35 L1,310.75 C1,324.00 +8.05 (+0.61%) Vol13.09K



Technical levels:

Copper: Copper continued its bullish trend but is now near the 0.5 Fibonacci retracement level and RSI is approaching 60, suggesting potential resistance. Key support is at 810.

Zinc: Zinc is approaching a downward sloping trend line, which has acted as resistance multiple times. Yesterday, it again faced selling pressure from higher levels. Key resistance is at 275, with support at 267.

Aluminum: Aluminum formed an inside candle after a strong selling candle. The 230 level is crucial; if it breaks, a retracement may follow.

Base metals overview:

Driven by the prospect of an imminent rate cut by the US Fed, the US dollar index hit a new low, falling to its lowest point in over a year, which is bullish for copper prices. On the fundamentals, as the end-of-month long orders from traders have mostly been fulfilled and copper prices remain strong, downstream spot order demand is limited, with restocking mainly driven by rigid demand. Overall market activity is not high. It is expected that end-of-month consumption demand will not significantly improve, and attention should be paid to the subsequent copper price trend. In terms of prices, copper prices are expected to continue to rise. Recent power rationing and other disruptions have not had a substantial impact on aluminum production, keeping the supply side relatively stable. Currently, the aluminum market is experiencing a decline in purchasing power and ample circulation of aluminum ingots, which suppresses the narrowing of spot discounts. However, with the traditional peak season and domestic economic stimulus policy, consumption is gradually recovering, and the inventory reduction turning point is expected. In the short term, aluminum prices are expected to remain in a strong fluctuation, with continued attention needed on macro changes and the sustainability of downstream aluminum consumption.

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