

Commodity Overview

29-08-2024





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GOLD1!+SILVER1!, 1D, MCX O157,353 H157,493 L155,164 C155,720 -2,060 (-1.31%) Vol21.039K
Vol (50) 21.039K



Gold & Silver overview:

Gold prices fell on Wednesday under pressure from a stronger dollar and uncertainty ahead of a key U.S. inflation report that could provide more clarity about the Federal Reserve's September policy meeting. The U.S. currency steadied on Wednesday, making dollar-priced commodities less attractive for buyers using other currencies. Recent declines in the dollar had pushed the currency to its weakest in more than a year. However, US dollar index fell 0.57% yesterday, which kept the profit booking in gold prices.

Silver prices fell around 2% yesterday as markets are focused on the looming U.S. personal consumption expenditure (PCE) data, the Fed's preferred measure of inflation, due on Friday. support coming from expectations of U.S. rate cuts, safe-haven demand driven by geopolitical and economic uncertainty as well as robust purchases by central banks. The rally, which started in March and saw spot prices hitting a record high in bullion prices, was initially led by strong demand in China until high prices muted its imports and shifted the focus to Western investor buying.

Technical levels:

GOLD : Technically, the day trend in gold may remain range-bound to the downside today. It has support at 71000 and resistance at 72300.

SILVER : The day trend in silver may remain down. It has resistance at 85000 and support at 82000.



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Crude oil & Natural gas overview:

Oil prices fell by around 1% on Wednesday due to persistent concerns over Chinese demand and elevated risks of a broader economic slowdown, though losses were capped by supply risks in the Middle East and Libya. U.S. crude oil refinery inputs averaged 16.9 million barrels per day during the week ending August 23, 2024, which was 175 thousand barrels per day more than the previous week's average. Refineries operated at 93.3% of their operable capacity last week.

The natural gas prices are going to see a lot of volatility going forward, which is very common for this commodity. The natural gas market is going to continue to look forward to the possibility of a spike later in the year, as temperatures in the United States start to drop a bit. In the meantime, heat can sometimes give a boost as well.

Technical levels:

CRUDE OIL: A range-bound to the downside move is expected in crude oil today. It has support at 6200 and resistance at 6400.

NATURAL GAS: Technically, prices are stuck in a range and awaiting storage data, which may give a new direction to the prices today. meanwhile, prices are looking oversold and a bounce towards 190 levels is expected today. It has an immediate support at 170.



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COPPER1!+ALUMINIUM1!+ZINC1!, 1D, MCX O1,318.65 H1,320.85 L1,301.10 C1,302.80 -21.20 (-1.60%) Vol13.361 K
Vol (50) 13.361 K



Base metals overview:

The US dollar index recorded its largest gain since June 3, which is bearish for copper prices. Additionally, a spokesperson from the US Department of Labor stated that the release of employment data for August 21 was delayed due to technical issues, and the market needs more economic data for guidance. Attention is focused on the PCE data to be released on Friday, which is the US Fed's preferred inflation indicator. Fundamentally, on the consumption side, end-of-month downstream transactions for cargoes with invoices dated next month are limited. Traders reported mediocre trading volumes, with downstream buyers preferring to transact directly with smelters. According to the survey, destocking at smelters in east China has increased compared to before, and overall consumption remains resilient. Price-wise, the downside space for copper prices is expected to be limited.

The market is gradually digesting the expectation of a rate cut by the US Fed next month, currently awaiting inflation data, which may provide clues on the extent of the rate cut.

Technical levels:

Copper: Copper broke below the 810 support, closing beneath it. The breakaway gap from August 26th may now be filled. Next support is at 802, with resistance at 820.

Zinc: Zinc hovered around the downward trend line resistance before dropping 1.5% yesterday, closing below the last two candle lows. Key support is at 265, with resistance at 272.

Aluminum: Aluminum broke down from the inside candle, closing below it. The next support is at 226, with resistance at 234.

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