

09-SEPTEMBER-2024



COMMODITY WEEKLY REPORT



UPCOMING KEY ECONOMIC EVENTS



Monday, Sept- 09

- CNY: CPI y/y - Previous - 0.5% : Change in the price of goods and services purchased by consumers. If the actual CPI y/y is greater than the forecast, it is generally good for gold and silver prices.
- CNY: PPI y/y - Previous - -0.8% : Change in the price of goods purchased and sold by producers. If the actual PPI y/y is greater than the forecast, it is generally good for gold and silver prices.

Tuesday, Sept- 10

CNY: New Loans - Previous - 260B : Value of new yuan-denominated loans issued to consumers and businesses during the previous month, If the actual New Loans are greater than the forecast, it is generally bad for gold and silver prices.

Wednesday, Sept- 11

- USA: Core CPI m/m - Previous - 0.2% : Change in the price of goods and services purchased by consumers, excluding food and energy, If the actual Core CPI m/m is greater than the forecast, it is generally good for gold and silver prices.
- USA: CPI m/m - Previous - 0.2% : Change in the price of goods and services purchased by consumers. If the actual CPI m/m is greater than the forecast, it is generally good for gold and silver prices.
- USA: CPI y/y - Previous - 2.9% : Change in the price of goods and services purchased by consumers. If the actual CPI y/y is greater than the forecast, it is generally good for gold and silver prices.
- USA: Crude Oil Inventories : Change in the number of barrels of crude oil held in inventory by commercial firms during the past week.

Thursday, Sept- 12

- EUR : Main Refinancing Rate - Previous - 4.25% : Interest rate on the main refinancing operations that provide the bulk of liquidity to the banking system, If the actual Main Refinancing Rate is greater than the forecast, it is generally bad for gold and silver prices.
- EUR : Monetary Policy Statement
- USA: Core PPI m/m - Previous - 0.0% : Change in the price of finished goods and services sold by producers, excluding food and energy . If the actual Core PPI m/m is greater than the forecast, it is generally good for gold and silver prices.
- USA: PPI m/m - Previous - 0.1% : Change in the price of finished goods and services sold by producers. If the actual PPI m/m is greater than the forecast, it is generally good for gold and silver prices.
- USA: Unemployment Claims : The number of individuals who filed for unemployment insurance for the first time during the past week. If the number of unemployment claims is greater than forecast, it is generally bad for gold and silver as it indicates weaker economic conditions and potential for lower demand.
- EUR : ECB Press Conference : ECB President and Vice President.
- USA: 30-y Bond Auction - Previous - 4.31|2.3 : Highest yield on a 30-year bond the government sold at auction, and the bid-to-cover ratio of the auction.

Friday , Sept- 13

- USA: Prelim UoM Consumer Sentiment - Previous - 67.9 : Level of a composite index based on surveyed consumers.
- USA: Prelim UoM Inflation Expectations - Previous - 2.8% : Percentage that consumers expect the price of goods and services to change during the next 12 months.

COMMODITY OVERVIEW



Bullion overview:

Gold's rise this year has surpassed other commodities such as oil and copper, distinguishing it in global markets. The rise in gold prices has been driven in part by central bank purchases, which have become a significant factor in recent years. These purchases have contributed to sustained demand for gold, supporting the potential for further price increases in the near future. In recent years, central banks have become one of the most important drivers of gold demand. "Central bank purchases in the first half of this year reached the highest first half year on records dating back to 2000. Over the past two years, central banks have accounted for around a quarter of global gold demand—more than double the 11% average of the previous five years. Emerging market central banks have led this charge, increasing their reserves of the precious metal for a variety of strategic reasons. The reasons behind central bank gold purchases are linked to several key factors. Gold's value is supported by its limited supply, which differs from fiat currencies that can be subject to inflation or devaluation due to increases in money supply. Source: investing.com

Technical levels:

Gold prices in the Comex division remained flat last week and the prices are hovering in a range of \$2520 to \$2560. Gold is facing resistance to the upper trend line and struggling to move beyond the resistance levels, which has placed at \$2550--\$2570. Three weeks range-bound movement indicates that market is awaiting a trigger for breaking this range. However, the uptrend is supporting prices and buying momentum still looks good. Meanwhile, momentum indicators show a divergence on weekly chart. The RSI is sustaining near 70 levels, indicating that buying momentum will intact in the upcoming weeks. However, gold in MCX is trading with positive bias but range-bound move is expected this week.

MCX December futures silver prices remained down with a bearish engulfing candle pattern on the weekly chart. However, The prices trading between 86000 to 82000 range in MCX. And, it is trading below 100-DMA, while taking support of 200-SMA on weekly time frame. Silver in MCX, may remain down this week. It has support at 80000 and resistance at 85000. While, gold has support at 70000 and resistance at 73000.

COMMODITY OVERVIEW



Energy pack overview :

Oil prices held at a 14-month low on Thursday as worries about demand in the U.S. and China and a likely rise in supplies out of Libya offset a big withdrawal from U.S. inventories and a delay to output increases by OPEC+ producers. That was the lowest close for Brent since June 2023 for a second day in a row and the lowest close for WTI since December 2023 for a third day in a row. The U.S. Energy Information Administration said energy firms pulled 6.9 million barrels of crude out of storage during the week ended Aug. 30. That was much bigger than the draw of 1 million barrels analysts forecast in a Reuters poll, but was in line with the draw of 7.4 million barrels reported by the American Petroleum Institute industry group on Wednesday. Further support came from discussions between the Organization of the Petroleum Exporting Countries and allies led by Russia, known collectively as OPEC+, about delaying output increases due to start in October. OPEC+ agreed to delay a planned oil output increase for October and November, and said it could further pause or reverse the hikes if needed.

Technical levels:

MCX September futures crude oil prices fell around 6% in last week, as prices have breached the crucial support level of 6000. Crude oil prices were trading in a range for several months, and last week prices have breached the range. The prices have formed a bearish triangle pattern on weekly chart and prices have given the break out last week. If prices remained below 6000 levels continuously, then a large downside move is likely in the upcoming weeks. Crude oil prices have breached the support of 200-SMA on weekly time frame with moderate selling momentum which indicates that bearish trend may continue this week.

The natural gas prices in Comex division has rebounded from \$2 levels and the prices remained up for two consecutive weeks. MCX September contract Natural gas has resistance at 200, above this prices are likely to move towards 215 to 240 levels in the coming weeks.

COMMODITY OVERVIEW



Base metals overview:

China's primary aluminum smelters are producing record amounts of metal and the domestic market surplus is spilling out of the country in the form of semi-manufactured products.

This sudden acceleration in "semis" exports is rekindling the flames of a long-simmering trade conflict. Western countries have repeatedly accused China of unfairly subsidizing its aluminum and steel sectors, claiming the country's excess capacity is swamping global markets. The World Trade Organization (WTO) said last month that it was unable to get a clear picture of China's financial support for key industrial sectors due to an "overall lack of transparency".

With no means of negotiating a multilateral remedy, countries are increasingly turning to unilateral tariffs to protect themselves from the renewed Chinese flood. China's production of primary aluminum hit a fresh monthly peak of 3.690 million metric tons in July, according to the International Aluminum Institute.

Technical levels:

Copper prices remained down by 1.8 percent in MCX last week, but prices were supported by prior two weeks. Copper prices rebounded last month and have formed a long-lagged dogi pattern on the monthly chart which have kept the downside limited. The prices are trading above 50, 100 and 200-SMA indicating that prices still have upside potential as the long term-trend is upside. However, short-term trend is down and prices may remain between 805 to 780 level this week as prices are hovering at 200-DMA with average volume activity.

The zinc prices are trading in a wide swing on weekly chart, where 270 is act as resistance and 250 levels as support. Zinc has formed a bearish breakaway candle pattern on weekly chart. However, selling momentum in base metals are looking good which may put pressure on the prices this week. While, aluminum looks weak and the selling momentum is likely to increase this week.

MCX Gold:

The CBOE gold volatility index declined to 16% for the second consecutive week, the levels is favorable for bullish trend. At the same time, implied volatility in the Comex division remained near 15.5% for the October option contract. The volatility of in-the-money puts has increased slightly while IV of calls has made small changes. September's gold option's put/call ratio is at 1.15 in MCX, which fell slightly compared to last week. The nearest strike prices in MCX with high open interest are 73000 calls and 71000 puts.

MCX Silver:

The nearest strike price in silver with a high OI is 80000 puts and 85000 calls. While PCR fell to 0.86 from 1.0, compared to last week. In Comex futures silver, the implied volatility (IV) of ITM puts has increased slightly with OTM calls option's IV. The data indicates a range-bound to the upside movement is expected this week.

MCX Crude Oil:

The August month's crude oil options contract has a high OI at 6000 calls and 5800 puts. The CBOE crude oil volatility index rose slightly and remained near 33% in the previous week. The PCR fell to 0.39 from 0.78, compared to last week. The IV of OTM put has increased slightly while a spike has seen in IV of deep ITM calls, indicating that bearish momentum may continue this week.

MCX Natural Gas:

The reverse IV skew in put options, has seen this week in NYMEX natural gas. While, the PCR in MCX rose to 1.23 from 0.78, compared to last week, indicating that trend may remain bullish this week. The natural gas has high OI at 200 calls and 180 puts in MCX.

WEEKLY PIVOT LEVELS

PAIR	R3	R2	R1	P	S1	S2	S3
GOLD	73458	72847	72136	71525	70814	70203	69492
SILVER	88653	87299	85028	83674	81403	80049	77778
CRUDEOIL	6683	6469	6086	5872	5489	5275	4892
NATURAL GAS	215.5	204.4	197.7	186.6	179.9	168.8	162.1
ALUMINIUM	228.6	226.3	222.0	219.7	215.3	213.0	208.7
ZINC	277.0	272.3	263.0	258.3	249.0	244.3	235.0
COPPER	825.4	815.2	798.5	788.3	771.6	761.4	744.7

COMMODITY OVERVIEW

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