

19-AUGUST-2024



COMMODITY WEEKLY REPORT



UPCOMING KEY ECONOMIC EVENTS



Tuesday, August 20

- CNY: 1-y Loan Prime Rate –Previous - 3.35%: Interest rate at which commercial banks lend to households and business, Actual greater than Forecast is bad for gold and silver.
- CNY: 5-y Loan Prime Rate - Previous - 3.85% : Interest rate applied by commercial banks for mortgage loans, Actual greater than Forecast is bad for gold and silver.
- EUR: Final Core CPI y/y - Previous - 2.9%: Change in the price of goods and services purchased by consumers, excluding food, energy, alcohol, and tobacco, Actual' greater than 'Forecast' is good for gold and silver.
- EUR: Final CPI y/y - Previous - 2.6%: Change in the price of goods and services purchased by consumers, 'Actual' greater than 'Forecast' is good for gold and silver.

Wednesday, August 21

- USA: Crude Oil Inventories - Previous - 1.4M: Change in the number of barrels of crude oil held in inventory by commercial firms during the past week, If actual data remain lower than previous, will be supportive for crude oil prices.
- USA: FOMC Meeting Minutes - More hawkish than expected is Bad for gold and silver.

Thursday, August 22

- USA: Unemployment Claims - Previous - 227K: The number of individuals who filed for unemployment insurance for the first time during the past week, 'Actual' less than 'Forecast' Bad for gold and silver.
- USA: Flash Manufacturing PMI - Previous - 49.6: Level of a diffusion index based on surveyed purchasing managers in the manufacturing industry, Actual greater than Forecast is Bad for gold and silver.
- USA: Flash Services PMI - Previous - 55.0 : Level of a diffusion index based on surveyed purchasing managers in the services industry, Actual' greater than 'Forecast' is good for gold and silver.
- USA: Natural Gas Storage - Previous - -6B: Change in the number of cubic feet of natural gas held in underground storage during the past week, 'Actual' less than 'Forecast' is good for of natural gas .

COMMODITY OVERVIEW

GOLD1!+SILVER1!, 1W, MCX O150,144 H154,855 L149,835 C154,588 +4,150 (+2.76%) Vol114.837K
Vol (50) 114.837K



Bullion overview:

Gold prices in the Comex division gained as geopolitical tensions in the Middle East are likely to escalate in the coming months. However, the firm believes that some form of retaliation from Iran is likely. Comex silver prices also gained as softer-than-expected U.S. consumer inflation data spurred bets that the Federal Reserve will begin trimming rates. Gains in the bullion were also held back by improved risk appetite, while a monthly increase in consumer price index inflation saw traders' position for a smaller rate cut in September. But gold and silver had initially marked a negative reaction to the CPI data on Wednesday, as a month-on-month increase in inflation saw traders favor a smaller, 25 basis point cut by the Fed in September, CME Fedwatch showed. The US wholesale inflation slowed as expected in July, easing after an unexpected flare-up the month before. The Producer Price Index, a measurement of average price changes seen by producers and manufacturers, was 2.2% for the 12 months ended in July, a stark pullback from the 2.7% increase registered in June. On a monthly basis, prices rose 0.1%, a slower pace than the 0.2% increase seen in June.

Technical levels:

Gold prices were up in MCX last week and remain near an all-time high in the Comex division. In the prior week, gold prices had taken support of 100-SMA on the daily chart and bounced back towards higher levels last week. The prices on the daily chart are trading in an upward channel line with strong buying momentum, which indicates that an upside move may continue this week. The RSI and MACD both show strength in daily and weekly time frames. MCX gold future has support at 68800 and resistance at 72000. The silver prices in the MCX have formed a support area near 79000. While, RSI on the daily chart has shown divergence, on the weekly chart, it is trading above 46 levels, which indicates that prices may bounce back toward the 100-SMA levels on the daily chart. Also, MACD has given a bullish crossover on the daily price range. However, prices on the daily chart are trading below the 100-SMA which may keep the upside limited. This week, buying momentum may support the silver prices. Silver has resistance at 84000 and support at 78000.

COMMODITY OVERVIEW

CRUDEOIL1!+NATURALGAS1!, 1W, MCX O6,655 H6,924 L6,528 C6,614 -10 (-0.16%) Vol672.712K
Vol (50) 672.712K



Energy pack overview :

The US Oil prices ticked up on Thursday as optimism built that potential U.S. interest rate cuts will boost economic activity and fuel consumption, but concerns over slower global demand curbed gains. However, oil inventory gains raised concerns of weaker demand. U.S. crude oil stockpiles rose by 1.4 million barrels in the week ended Aug. 9, compared with estimates for a 2.2-million-barrel draw which have put fresh selling pressure on crude oil prices. source: investing.com.

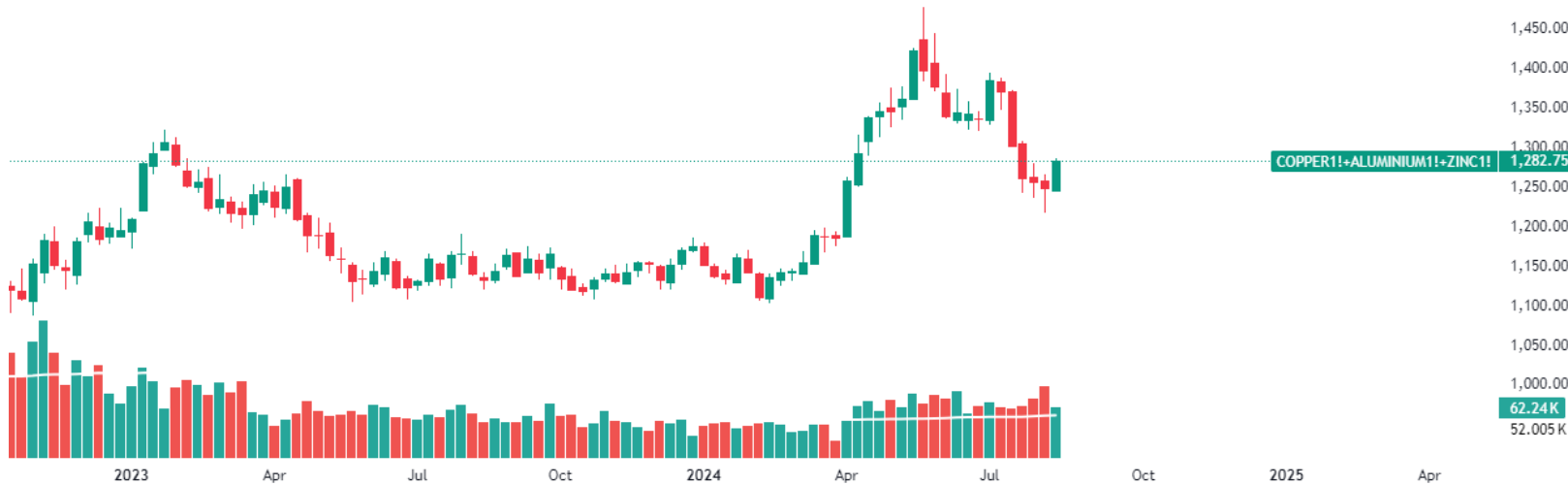
Natural gas futures rebounded after a brief period of weakness, driven by expectations of a bullish storage report. The possibility of a rare midsummer storage draw has heightened market activity, indicating tightening market balances. This optimism is reflected in the recent rally, supported by a surge in bullish sentiment among money managers, who have increased their net long positions to a six-week high. The unwinding of short positions and forecasts for rising cooling demand across the Lower 48 states have drawn new buyers into the market. Source fxempire.

Technical levels:

Technically, the mid-term trend in crude oil is sideways. Currently, prices are trading in a range of \$80 to \$70, and prices have retreated once again from the upper range and are likely to test the near levels of the lower range, which is \$73. The RSI and MACD both indicate a sluggish momentum in prices. However, prices may remain in the above-mentioned range this week as well and the bias may remain negative this week. Crude oil has resistance at 6600 and support at 6200. Natural gas is trading in a wide swing on the weekly chart and recently it has formed a triple zigzag pattern on the daily chart, which indicates that prices have bottomed out for the time being. The gas prices may remain upside this week and buying on correction could be a good trading strategy for traders. It has support at 170 and resistance at 200.

COMMODITY OVERVIEW

COPPER1!+ALUMINIUM1!+ZINC1!, 1W, MCX O1,246.55 H1,286.75 L1,244.40 C1,282.75 +34.25 (+2.74%) Vol62.24K
Vol (50) 62.24K



Technical levels:

The base metals bounced back with moderate buying momentum as prices were oversold in the previous week. MCX copper gained around 2.6 percent last week and formed a bullish engulfing candle pattern on the weekly chart which could be supportive for the prices this week. Copper prices have taken support of 50-SMA, and prices trading above the 50 and 100-SMA on the weekly chart which creates strong support at lower levels. The price pattern shows that the copper has completed a zigzag correction weekly chart with heavy volume on the bottom indicating a short-term rebound in the prices. A small correction in prices could be a good buying opportunity in copper as prices may remain range-bound to the upside this week. The August future zinc prices have taken the support of 100-SMA and have formed a bullish hammer followed by a green candle on the weekly chart may push the prices higher in the upcoming days. The aluminium has shown a moderate buying momentum, which could be supportive for prices but a level near 214-215 could be a better buying opportunity.

Base metals overview:

China's factory output slowed for a third straight month in July, showing the recovery in the world's second-largest economy was losing steam, although the battered consumer sector perked up slightly as stimulus targeting households took effect. A mixed batch of data on Thursday pointed to a patchy start to the second half for the \$19 trillion economy and gave policymakers continued cause for concern following dismal export, prices and bank lending indicators earlier this month. Data from the National Bureau of Statistics (NBS) showed industrial output grew 5.1% from a year earlier, slowing from the 5.3% pace in June and below analysts' forecasts for a 5.2% increase. In contrast, retail sales rose 2.7% in July, quickening from a 2.0% increase in June and beating expectations for growth of 2.6%. The data steps up the urgency for policymakers to roll out more support measures aimed at consumers instead of pouring funds into infrastructure. source: Reuters



COMMODITY DERIVATIVES READING



MCX Gold:

The CBOE gold volatility index was fallen to 18% in the previous week. At the same time, implied volatility in the Comex division remained near 16% for the September option contract. A decline in volatilities supporting the gold prices currently. The volatility of out-of-the-money put has increased slightly while implied volatility of calls has decreased sharply, indicating that prices of the underlying may remain supportive this week. September's gold option's put/call ratio is at 1.13 in MCX. The nearest strike prices in MCX with high open interest are 73000 calls and 70000 puts.

MCX Silver:

The nearest strike price in silver with a high OI is 80000 puts and 84000 calls. While PCR rose to 0.53 from 0.41 in the previous week. In Comex futures silver, the implied volatility (IV) of out-of-the-money calls has increased sharply. The data indicates that upside move may continue in this week.

MCX Crude Oil:

The August month's crude oil options contract has a high OI at 6500 calls and 6300 puts. The CBOE crude oil volatility index fell and remained near 31% in the previous week. The PCR declined to 0.55 from 1 last week. The IV of in-the-money calls has increased in the last week, indicating a bounce in the prices.

MCX Natural Gas:

The NYMEX natural gas at-the-money call and put has increased moderately, while the PCR in MCX is at 0.58 from 0.69 in the previous week, indicating a range-bound movement this week. The natural gas has high OI at 190 calls and 170 puts in MCX.

WEEKLY PIVOT LEVELS

PAIR	R3	R2	R1	P	S1	S2	S3
GOLD	73756	72616	71995	70855	70234	69094	68473
SILVER	88042	85711	84462	82131	80882	78551	77302
CRUDEOIL	7050	6893	6664	6507	6278	6121	5892
NATURAL GAS	200.5	195.9	187.5	182.9	174.5	169.9	161.5
ALUMINIUM	229.0	224.7	221.9	217.6	214.8	210.5	207.7
ZINC	274.0	268.7	265.5	260.1	256.9	251.6	248.4
COPPER	841.6	822.3	811.9	792.5	782.1	762.8	752.4

COMMODITY OVERVIEW

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