

23-SEPTEMBER-2024



# COMMODITY WEEKLY REPORT



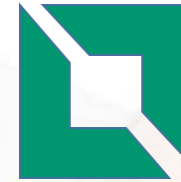
# UPCOMING KEY ECONOMIC EVENTS



Date	Event	Measure	Previous Value	Indication	Impact on Commodities
Monday, Sept 23	USA: Flash Manufacturing PMI	Index	47.9	Contraction in the manufacturing sector	Negative for metals, energy, and agricultural commodities
Monday, Sept 23	USA: Flash Services PMI	Index	55.7	Expansion in the services sector	Neutral to slightly positive for commodities
Monday, Sept 23	EUR: French Flash Manufacturing PMI	Index	43.9	Contraction in the French manufacturing sector	Negative for metals, energy, and agricultural commodities
Monday, Sept 23	EUR: French Flash Services PMI	Index	55	Expansion in the French services sector	Neutral to slightly positive for commodities
Monday, Sept 23	EUR: German Flash Manufacturing PMI	Index	42.4	Contraction in the German manufacturing sector	Negative for metals, energy, and agricultural commodities
Monday, Sept 23	EUR: German Flash Services PMI	Index	51.2	Expansion in the German services sector	Neutral to slightly positive for commodities
Tuesday, Sept 24	EUR: German ifo Business Climate	Index	86.6	Business sentiment is declining in Germany	Negative for metals, energy, and agricultural commodities
Tuesday, Sept 24	USA: CB Consumer Confidence	Index	103.3	Consumer confidence is declining in the US	Negative for commodities, especially gold and silver



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Tuesday, Sept 24	USA: Richmond Manufacturing Index	Index	-19	Manufacturing activity is contracting in the Richmond region	Negative for metals, energy, and agricultural commodities
Wednesday, Sept 25	USA: New Home Sales	Annualized Units	739K	New home sales are declining in the US	Negative for lumber and base metals
Wednesday, Sept 25	USA: Crude Oil Inventories	Barrels	-1.6M	Crude oil inventories are decreasing in the US	Positive for oil prices
Wednesday, Sept 25	JPY: BOJ Core CPI y/y	Percent	1.80%	Inflation is increasing in Japan	Neutral to slightly negative for commodities as it may lead to higher interest rates
Thursday, Sept 26	USA: Final GDP q/q	Percent	3.00%	Economic growth is slowing in the US	Negative for commodities
Thursday, Sept 26	USA: Unemployment Claims	Number of Claims	219K	Labor market is relatively strong	Neutral to slightly positive for commodities
Thursday, Sept 26	USA: Pending Home Sales m/m	Percent	-5.50%	Pending home sales are declining in the US	Negative for lumber and base metals
Friday, Sept 27	USA: Core PCE Price Index m/m	Percent	0.20%	Inflation is increasing in the US	Negative data is positive for gold
Friday, Sept 27	USA: Revised UoM Consumer Sentiment	Index	69	Consumer sentiment is declining in the US	Negative data is positive for gold

# COMMODITY OVERVIEW

GOLD1!+SILVER1!, 1W, MCX O163,493 H164,923 L161,040 C164,175 +1,480 (+0.91%) Vol111.369K



## **Technical levels:**

Comex gold future extended the rally after breaching the short term upper trend line and prices are trading near \$2645. The prices are up consecutive for three months and have formed a rectangle pattern on monthly chart which may lead to \$2700—\$2750 in the coming weeks. In MCX, gold has given the breakout of rectangle pattern, formed on daily chart, which may take the prices towards 76000 or beyond in the coming weeks. The MACD shows high buying momentum on daily chart but RSI shows a divergence. The upside move is likely to be continue this week.

The silver prices are sustaining above \$31 and on the verge of an upside rally. The prices have formed a bullish flag pattern on weekly and monthly chart and prices have given a breakout previous week. The trend is upside and prices are trading above the 50, 100 and 200-SMA on weekly chart. While, MACD indicates high buying momentum on weekly chart and RSI is hovering near 61 levels. The move is likely to be upside this week.

## **Bullion overview:**

Gold hit a record high above \$2,600 per ounce on Friday, as the prospect of more U.S. interest rate cuts and global geo-political uncertainty boosted its appeal. Large buyers and institutional investors usually buy gold from big banks. Prices in the spot market are determined by real-time supply and demand dynamics. Gold prices rose over 1% on Thursday as the U.S. Federal Reserve launched its monetary easing cycle with a half percentage point move, boosting bullion to an all-time high. Fed policymakers also projected the benchmark interest rate would fall by another half of a percentage point by the end of this year, a full percentage point next year, and half of a percentage point in 2026.

Gold had initially logged a negative reaction to the rate cut on Wednesday, given that Fed Chair Jerome Powell also provided a less dovish outlook for long-term rates. But markets cheered the prospect of lower rates in the near-term, which dented the dollar and spurred flows into risk-driven assets. Safe haven demand for gold was also aided by worsening tensions in the Middle East, after Israel allegedly exploded electronic devices used by Hezbollah, drawing vows of retaliation.

# COMMODITY OVERVIEW



## Energy pack overview :

Oil prices ticked lower on Friday but remained on track for a second consecutive week of gains, drawing support from a large cut in U.S. interest rates and declining U.S. stockpiles. Signs of a slowing economy in major commodity consumer China pressured prices. But for the week, both benchmarks were up around 4%. Prices have recovered after Brent fell below \$69 for the first time in nearly three years on Sept. 10. Interest rate cuts typically boost economic activity and energy demand, but some analysts view are worried about weakness in the U.S. labour market. The Fed projected a further 50 basis points of rate cuts by the end of this year, a full percentage point of cuts next year and a further half-percentage-point reduction in 2026. About 6% of crude production and 10% of natural gas output in the U.S. Gulf of Mexico were offline in the aftermath of Hurricane Francine, the U.S. Bureau of Safety and Environmental Enforcement (BSEE) said in its final update following the storm, on Tuesday. Additional support for oil prices came from a decline in U.S. crude inventories to a one-year low last week. Source: investing.com

## Technical levels:

MCX September futures crude oil prices have given recovery for two consecutive weeks. However, weakness is persisting in the prices as buying candle of last week shows. The crude oil prices have broken down the several months price range in recent weeks. The prices have formed a bearish triangle pattern on weekly chart and the lower trend line of the triangle has been tested by the prices last week. If prices break and sustain above 6100 levels then our bearish move will negate. However, the MACD shows high selling momentum and prices are trading below 200-SMA on weekly chart which indicates that trend may remain downside.

A dome shaped price pattern on daily chart in MCX natural gas futures, may keep the prices upside in the upcoming weeks. However, prices are stuck in a congestion area which may take some time to resume the short-term uptrend.

# COMMODITY OVERVIEW



## **Technical levels:**

The October futures copper extended the gain for two consecutive weeks in MCX. The prices are trading above 50-SMA for several weeks. Copper prices rebounded last month and have formed a long-lagged dogi pattern on the monthly chart which may further support copper prices. The prices are trading above 50, 100 and 200-SMA indicating that a significant upside move is expected as long term-trend is upside. However, weekly trend still looks range-bound this week.

The October futures zinc prices are trading in a wide swing on weekly chart, where 275 will act as resistance levels and 250 levels as support. Currently, prices are trading near upper range, which may see continue to see mild selling this week.

The aluminum prices are trading near resistance levels of 238, which may put some pressure on the prices this week. However, crucial support is seen at 226.

## **Base metals overview:**

Copper rose to its highest level since mid-July a day after the Federal Reserve announced an aggressive interest cut of half a percentage point to stimulate the US economy and the labor market. The half-point cut unveiled by Fed Chair Jerome Powell is “beneficial to expectations for a soft landing in the US,” Everbright Futures Co. said in a note, adding that fundamentals for copper were gradually improving. While most metals have posted solid gains this year, their performance has fallen short of the bullish forecasts many expected — particularly for copper. Weak demand from China has been a major disappointment, and ongoing uncertainty surrounding the upcoming US presidential elections has further dampened sentiment.

The copper price remains strong due to high demand, constrained supply and increased investment in energy transition projects.

copper prices rose as media reports said top importer China was considering more supportive measures for the property market, after the People’s Bank left benchmark lending rates unchanged.

## **MCX Gold:**

The CBOE gold volatility index settled near 16% after falling from 23% last week. The level of volatility looks favorable for bullish trend. At the same time, implied volatility in the Comex division remained near 14.5% for the October option contract. The volatility of in-the-money puts has increased sharply while IV of call option looks neutral, indicates fear at higher levels. September's gold option's put/call ratio is at 1.97 in MCX, it remained at 1.8 last week. The nearest strike prices in MCX with high open interest are 75000 calls and 73000 puts.

## **MCX Silver:**

The nearest strike price in silver with a high OI is 85000 puts and 95000 calls. While PCR rose to 1.13 from 1.0, compared to last week. In Comex futures silver, the implied volatility (IV) of ITM puts has increased sharply. The data indicates that trend may remain upside but high volatility is expected.

## **MCX Crude Oil:**

The October futures crude oil options contract has a high OI at 6000 calls and 5900 puts. The CBOE crude oil volatility index rose to 42% and settled near 33% in the previous week. The PCR rose to 0.71 from 0.69, compared to last week. The IV of OTM puts and ITM calls, has increased slightly, which indicates that trend may remain down this week.

## **MCX Natural Gas:**

The implied volatility of out-of-the-money puts has increased last week in NYMEX natural gas futures. While, the PCR in MCX declined to 0.94 from 1.57, compared to last week, indicating that the trend may remain down this week. Natural gas has high OI at 200 calls and 190 puts in MCX.

# WEEKLY PIVOT LEVELS

PAIR	R3	R2	R1	P	S1	S2	S3
<b>GOLD</b>	<b>75947</b>	<b>75063</b>	<b>74552</b>	<b>73668</b>	<b>73157</b>	<b>72273</b>	<b>71762</b>
<b>SILVER</b>	<b>93832</b>	<b>92288</b>	<b>91211</b>	<b>89667</b>	<b>88590</b>	<b>87046</b>	<b>85969</b>
<b>CRUDEOIL</b>	<b>6400</b>	<b>6231</b>	<b>6103</b>	<b>5934</b>	<b>5806</b>	<b>5637</b>	<b>5509</b>
<b>NATURAL GAS</b>	<b>227.2</b>	<b>215.7</b>	<b>209.2</b>	<b>197.7</b>	<b>191.2</b>	<b>179.7</b>	<b>173.2</b>
<b>ALUMINIUM</b>	<b>239.1</b>	<b>236.5</b>	<b>231.7</b>	<b>229.2</b>	<b>224.4</b>	<b>221.8</b>	<b>217.0</b>
<b>ZINC</b>	<b>279.2</b>	<b>275.8</b>	<b>270.6</b>	<b>267.2</b>	<b>262.0</b>	<b>258.6</b>	<b>253.4</b>
<b>COPPER</b>	<b>841.4</b>	<b>830.4</b>	<b>819.9</b>	<b>809.0</b>	<b>798.5</b>	<b>787.5</b>	<b>777.0</b>



# COMMODITY OVERVIEW

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