

26-AUGUST-2024



COMMODITY WEEKLY REPORT



UPCOMING KEY ECONOMIC EVENTS



Monday, August 26

- USA: Core Durable Goods Orders m/m - Previous - 0.4% : Change in the total value of new purchase orders placed with manufacturers for durable goods, excluding transportation items, If the actual Core Durable Goods Orders m/m is greater than the forecast, it is generally bad for gold and silver prices.
- USA: Durable Goods Orders m/m - Previous - -6.7% : Change in the total value of new purchase orders placed with manufacturers for durable goods, If the actual Durable Goods Orders m/m is greater than the forecast, it is generally bad for gold and silver prices.

Tuesday, August 27

- EUR : German Final GDP q/q - Previous - -0.1% : Change in the inflation-adjusted value of all goods and services produced by the economy, If the actual German Final GDP q/q is greater than the forecast, it is generally bad for gold and silver prices.
- USA: S&P/CS Composite-20 HPI y/y - Previous - 6.8% : Change in the selling price of single-family homes in 20 metropolitan areas, If the actual S&P/CS Composite-20 HPI y/y is greater than the forecast, it is generally bad for gold and silver prices.
- USA: CB Consumer Confidence - Previous - 100.3 : Level of a composite index based on surveyed households, If the actual CB Consumer Confidence is greater than the forecast, it is generally bad for gold and silver prices.

Wednesday, August 28

- USA: Crude Oil Inventories - Previous - -4.6M : Change in the number of barrels of crude oil held in inventory by commercial firms during the past week, If the actual Crude Oil Inventories are greater than the forecast, it is generally bad for crude oil prices.

Thursday, August 29

- EUR : German Prelim CPI m/m - Previous - 0.3% : Change in the price of goods and services purchased by consumers, If the actual German Prelim CPI m/m is greater than the forecast, it is generally good for gold and silver prices.
- USA: Prelim GDP q/q - Previous - 2.8% : Annualized change in the value of all goods and services produced by the economy, If the actual Prelim GDP q/q is greater than the forecast, it is generally bad for gold and silver prices.
- USA: Unemployment Claims - Previous - 232K :The number of individuals who filed for unemployment insurance for the first time during the past week, Greater-than-forecast unemployment claims are typically positive for gold as a safe-haven asset.

Friday, August 30

- EUR : CPI Flash Estimate y/y m/m - Previous - 2.6% : Change in the price of goods and services purchased by consumers. Higher CPI Flash Estimate is bad for gold and silver as it may signal tighter monetary policy
- USA: Core PCE Price Index m/m - Previous - 0.2% : Change in the price of goods and services purchased by consumers, excluding food and energy, Higher Core PCE is bad for gold and silver as it may lead to tighter monetary policy.

COMMODITY OVERVIEW

GOLD11+SILVER11, 1W, MCX O155,208 H158,112 L154,239 C156,988 +2,400 (+1.55%) Vol119.552K



Technical levels:

Gold prices in the Comex division remained flat the previous week as the market discounted the rate cuts. Gold is facing resistance to the upper trend line and struggling to move beyond the resistance levels, which has placed at \$2550. A red candle, with a moderate real body in the middle, has formed on the weekly chart on Comex, indicating a profit booking in the prices. Meanwhile, momentum indicators show a bearish divergence. The RSI is continuously trading below 70 levels, indicating that fresh buyers may hang near the top levels. However, gold in MCX may remain range-bound to the downside this week. Silver prices gained around 2 percent in the previous week. However, a resistance of 50-SMA and a gravestone dogi candle on the daily chart may pause the upside move for a short-term period. In MCX, a range-bound to the downside move is likely in the silver this week. However, the downside may remain limited and prices may bounce back from the demand zone near 82000. Silver has resistance at 87000.

Bullion overview:

Gold prices climbed one per cent as the dollar and Treasury yields retreated following Federal Reserve Chair Jerome Powell comments at Jackson Hole signaling an interest rate cut in September. Powell said "the time has come" for the US central bank to cut interest rates, and inflation was within reach of the Fed's two per cent target, offering an explicit endorsement of an imminent policy easing. The dollar index fell 0.6 per cent against its rivals, while benchmark US 10-year yields also declined following Powell's speech, making gold more attractive for other currency holders. Gold prices climbed one per cent as the dollar and Treasury yields retreated following Federal Reserve Chair Jerome Powell comments signaling an interest rate cut in September. source: live mint

Silver has been in a short-term uptrend since early August but after peaking on August 20 it pulled back down. This correction may have bottomed out now and the precious metal could be at the start of a resumption of the prior uptrend. This makes it more likely Silver could be resuming its dominant short-term uptrend.

COMMODITY OVERVIEW

CRUDEOIL11+NATURALGAS11, 1W, MCX O6,603 H6,638 L6,199 C6,462 -152 (-2.30%) Vol556.495 K



Energy pack overview :

U.S. light crude oil gained more than 2% a barrel on Friday after comments by U.S. Federal Reserve Chair Jerome Powell indicated the central bank was preparing to cut interest rates. This week, both benchmarks hit their lowest since early January, after the U.S. government sharply lowered its estimate of jobs employers added this year through March, raising fears of a possible recession. On Friday, Powell endorsed easing the Fed's policies, saying further cooling in the job market would be unwelcome. He also expressed confidence inflation was within reach of the U.S. central bank's 2% target. The U.S. dollar index softened to about 101.45 ahead of the speech. Source: investing.com

Technical levels:

The crude oil prices have formed a bearish dogi candle followed by a red candle last week indicating a bearish move in the upcoming days. Crude oil prices have been trading in a range for several months, where the price range is getting narrow in near weeks indicating that prices may give breakout soon. The momentum indicators are sleeping and bias may remain negative this week. Crude oil has crucial support at 6100 and resistance at 6700. Either side break of range may give a significant price move in the upcoming weeks. The recent upside move in natural gas could not be sustained above the 190 level and prices once again have a slipper near crucial support of 160, break down of this level may extend the downward move. The momentum indicators are looking weak which indicates that prices may follow the major trend this week as well.

Natural gas in storage across the United States increased by 35 billion cubic feet in the week ending August 16 in comparison to the previous week to reach 3,299 billion cubic feet, the Energy Information Administration (EIA) revealed in its report on Thursday. On an annual basis, the natural gas stockpiles rose by 221 billion cubic feet, standing by 369 billion cubic feet above the five-year average of 2,930 billion cubic feet.

COMMODITY OVERVIEW

COPPER1!+ALUMINIUM1!+ZINC1!, 1W, MCX O1,286.80 H1,305.80 L1,280.55 C1,296.20 +13.45 (+1.05%) Vol65.952 K



Technical levels:

After an upside move in the prior week, copper prices remained flat to negative last week and paused the short-term upside move. The 50-sma is trading below 100-sma on the daily chart, while prices have taken support of 50-sma on the weekly chart. However, support of 50 and 100-sma on the weekly chart may keep the downside limited from current levels in copper. This week, a range-bound to the downside move is expected in copper. Zinc prices were upside down for three consecutive weeks but were unable to cross the resistance of 270 levels. However, the mid-term trend looks strong and we are expecting prices will move upward but may take several weeks. However, this week zinc prices have formed a bearish engulfing pattern on the daily chart which may put some pressure on the prices. Zinc has support at 259. The sharp upside move of aluminum in the early sessions of the previous week has paused and profit booking is expected this week.

Base metals overview:

A rare burst of Chinese exports has deflated bull spirits in the copper market, with funds dumping long positions and prices down by 16% from the record highs seen in May.

The world's largest buyer of copper shipped out an unprecedented 158,000 metric tons of refined metal in June. First-half exports of 302,000 tons were already higher than any full calendar year since 2019. This break of normal trade patterns has punctured a bull narrative of constrained supply and cyclical demand recovery. Weak Chinese purchasing managers indices show that activity in the country's manufacturing sector sank to a five-month low in July, reinforcing Doctor Copper's gloomy message. Although the export burst has significantly reduced China's net call on the international market, the country's imports have remained strong. Volume rose by 16% year-on-year to 1.9 million tons in the first six months of 2024. With Chinese demand insufficiently strong to absorb surging imports, Congolese metal has washed around the domestic market, dragging down both premiums and prices to the detriment of local smelters. source: Reuters

MCX Gold:

- The CBOE gold volatility index rose and settled near 18% in the previous week, the same as the prior week. At the same time, implied volatility in the Comex division remained near 15.8% for the September option contract. A decline in volatilities supports the gold prices. The volatility of in-the-money calls and puts has increased slightly. September's gold option's put/call ratio is at 1.26 in MCX, which rose 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 84000 puts and 86000 calls. While PCR rose to 0.85 from 0.53, compared to last week. In Comex futures silver, the implied volatility (IV) of out-of-the-money calls and in-the-money puts has increased moderately. The data indicates that an upside move may continue this week as well.

MCX Crude Oil:

- The August month's crude oil options contract has a high OI at 6400 calls and 6200 puts. The CBOE crude oil volatility index rose slightly and remained near 32.7% in the previous week. The PCR rose to 0.71 from 0.55, compared to 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 out-of-the-money puts volatility has increased moderately, while the PCR in MCX is at 0.77 from 0.58, compared to last week, indicating a range-bound to the downside movement in this week. The natural gas has high OI at 190 calls and 180 puts in MCX.

WEEKLY PIVOT LEVELS

PAIR	R3	R2	R1	P	S1	S2	S3
GOLD	73779	73026	72401	71648	71023	70270	69645
SILVER	88747	87294	86252	84799	83757	82304	81262
CRUDEOIL	6919	6684	6489	6254	6059	5824	5629
NATURAL GAS	206.4	198.6	183.8	176.0	161.2	153.4	138.6
ALUMINIUM	244.0	237.1	233.5	226.6	223.0	216.1	212.5
ZINC	278.3	273.9	270.6	266.2	262.8	258.4	255.1
COPPER	823.6	815.9	807.5	799.8	791.5	783.8	775.4

COMMODITY OVERVIEW

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