01-06-2026

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Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

Gold News

- Gold prices extended gains for a second consecutive session on Wednesday, with spot gold rising around 1.6% after weaker-than-expected U.S. employment data and dovish comments from Federal Reserve Chair Kevin Warsh boosted expectations that inflationary pressures are easing and future monetary tightening may be less aggressive. The ADP National Employment Report showed private payrolls increased by 98,000 in June, below market expectations of 118,000, supporting demand for non-yielding assets. Meanwhile, technical talks between the U.S. and Iran in Doha to ensure safe shipping through the Strait of Hormuz and secure a lasting ceasefire reduced geopolitical uncertainty. According to the CME FedWatch Tool, markets now price a 65% probability of a September rate hike, lower than previous expectations, which further supported gold prices despite the continued strength in the U.S. dollar.

Technical Overview

- **GOLD :** Technically, MCX Gold (5th Aug) remains in a short-term downtrend as prices continue to trade below the 20-, 50-, and 100-day SMAs and have recently broken below the long-term 200-day SMA. The swing-low breakdown, accompanied by a sharp increase in volumes, indicates that bears remain firmly in control. Any pullback from current levels is likely to be viewed as a technical correction, with prices expected to decline towards the **136,000–136,500** zone as long as resistance at **145,500–149,500** remains intact. RSI is at **39** with a downward slope, indicating continued downside momentum, while MACD remains well below the zero line with an extended red histogram, suggesting further weakness in the near term.

Silver Insight

Silver News

- Silver outperformed gold on Wednesday, climbing nearly 2.5% as investors covered short positions after the metal recently touched its lowest level since November and recorded its sharpest quarterly decline in thirteen years. The weaker-than-expected U.S. labour market data reduced concerns over aggressive Federal Reserve tightening, while easing inflation expectations improved sentiment across the precious metals complex. Although silver benefited from bargain buying, the stronger U.S. dollar and uncertainty surrounding future interest rate decisions continue to limit upside momentum. Going forward, silver is expected to remain sensitive to Federal Reserve policy, dollar movements, and industrial demand trends, while long-term support continues to come from growing demand in renewable energy, electric vehicles, and solar manufacturing.

Technical Overview

- **SILVER:** Silver opened with a gap-down but successfully filled the pending gap during the session and managed to close near the previous day's high, indicating buying interest at lower levels. Prices continue to sustain above the **230,000** level, suggesting a gradual improvement in short-term sentiment. Immediate support is placed at **220,000**, while resistance is seen at **240,000**. A sustained move above resistance could strengthen bullish momentum in the near term.

Crude Oil Insight

Crude oil News

- Crude oil prices ended lower on Wednesday, with Brent crude falling nearly 2% and WTI declining around 1.3% to their lowest levels since March as optimism surrounding ongoing U.S.-Iran negotiations eased concerns over potential supply disruptions. Investor sentiment improved after U.S. President Donald Trump stated that talks with Iran in Qatar had progressed well, while technical discussions in Doha continued regarding shipping through the Strait of Hormuz and a lasting ceasefire. Meanwhile, the U.S. Energy Information Administration reported a 3.8 million-barrel decline in crude inventories to the lowest level since September 2018, reflecting strong refinery demand ahead of the July 4 holiday. However, the inventory draw was smaller than expected, and improving supply prospects continued to outweigh supportive inventory data, keeping pressure on oil prices.

Technical Overview

- **CRUDE OIL**: Technically, Crude Oil in the domestic futures market remains in a strong downtrend as prices continue to trade below the **20-, 50-, 100-, and 200-day SMAs**. With only **three positive sessions out of the last fourteen**, bearish sentiment continues to dominate, and prices are expected to move towards the **6,000** level in the near term. On the upside, prices need to sustain above the **7,400–7,500** resistance zone to signal the beginning of a meaningful recovery. RSI is at **31** with a downward slope, reflecting persistent bearish momentum, while MACD remains below the zero line, indicating continued selling pressure.

Natural Gas Insight

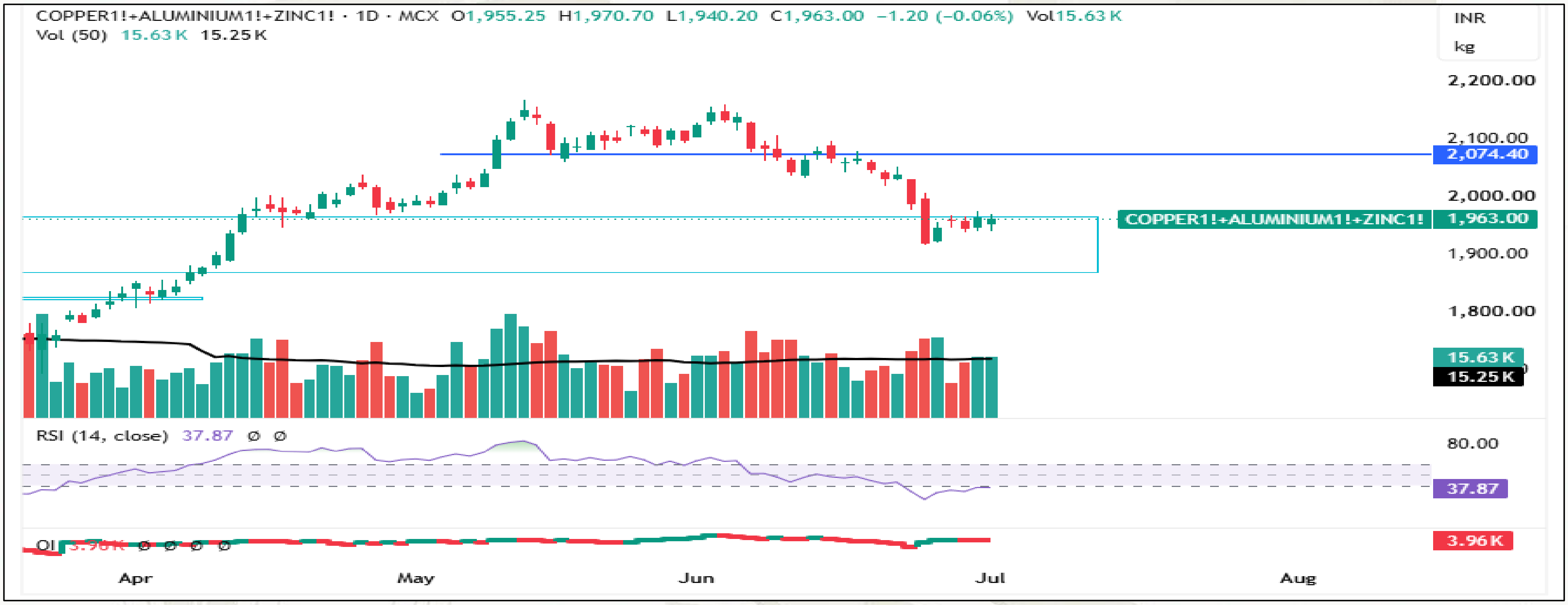
Natural gas News

- Natural gas futures edged lower on Wednesday as traders booked profits following the previous session's rally, although prices continued to trade within a relatively narrow range. The broader short-term bullish trend remains intact after prices rebounded from key technical demand zones, but the market continues to face opposing fundamental factors. Concerns over potential supply disruptions linked to Middle East tensions continue to provide support during declines, while forecasts for relatively mild U.S. temperatures, near-record domestic production, and comfortable supply conditions continue to cap rallies. As a result, natural gas is expected to remain range-bound in the near term, with prices likely to fluctuate within the broader trading band of **285–325** unless significant changes emerge in weather forecasts or supply conditions.

Technical Overview

- **NATURAL GAS** : Technically, Natural Gas continues to trade in a **sideways-to-bullish** trend. For the next leg of the upmove, prices need to sustain above the **320–325** resistance zone. A successful breakout could extend the rally towards the **345–350** belt, while key support levels remain at **295–285**. Immediate resistance is placed at **325–330**. RSI is near **53** with a flat slope, indicating neutral-to-positive momentum, while MACD remains above the zero line, suggesting that every dip continues to attract buying interest.

Base Metal Insight



Base Metal News

- Copper and other base metals ended the session little changed as investors balanced easing geopolitical concerns against persistent macroeconomic uncertainty. Although potential U.S. tariff measures and tight long-term supply continue to provide underlying support, the sector remains under pressure from a stronger U.S. dollar, elevated inventory levels, and expectations that global interest rates may remain higher for longer. Slowing manufacturing activity and concerns over global economic growth continue to weigh on industrial metal demand, while ongoing volatility in the Middle East has increased production costs through higher energy prices. Overall, base metals are expected to remain range-bound in the near term as markets closely monitor economic data, central bank policy decisions, inventory trends, and geopolitical developments.

Technical Overview

- **Copper:** Technically, Copper remains in a **short-term downtrend**, and as long as resistance at **1,280–1,310** holds, prices are expected to decline towards the **1,150–1,160** zone. Prices continue to trade below the 20-day SMA, reflecting ongoing long unwinding. RSI is at **42** with a flat slope, indicating weak momentum and the possibility of further profit booking. However, MACD remains above the zero line with a rising histogram, suggesting that intermittent pullbacks may emerge despite the prevailing bearish trend.

- **Zinc** : Zinc ended marginally lower and continues to remain under pressure in the short term, with prices trading below the 20-day SMA. A sustained move below the **350** support level could accelerate the decline towards the **340–338** zone, while immediate resistance is placed at **369–372**. RSI is at **49** with a flat slope, indicating mild profit booking, while MACD remains above the zero line with an increasing histogram, suggesting buying interest may continue to emerge on declines.

- **Aluminum :** Aluminium ended marginally higher in a narrow-range session, but the broader technical structure remains weak. Prices are still vulnerable to a decline towards the **330–325** support zone as long as resistance at **340–345**, followed by **360**, remains intact. RSI is deeply oversold at **22** with a downward slope, indicating continued long unwinding, while MACD remains below the zero line, suggesting selling pressure is likely to persist on every rally.

- **Nickel** : Nickel continues to weaken after breaking down from its consolidation range, with prices extending their decline towards the **1,520** support level. The overall trend remains bearish, and unless prices reclaim higher levels, selling pressure is likely to persist. Immediate resistance is placed at **1,662**, while sustained trading below current levels could open the door for further downside.

- **Electricity Futures**: Electricity Futures have confirmed a breakdown below the key **4,370** support level, indicating renewed bearish momentum. The next major support is placed at **4,000**, while immediate resistance is seen at **4,600**. As long as prices remain below the breakdown zone, the short-term bias is expected to remain negative.

- **Bulldex**: The Bullion Index (Bulldex) witnessed selling pressure after a brief pullback rally and failed to sustain above the 36,000 level. Prices are once again approaching the key support zone of 34,000, which also coincides with a significant swing-low level. A sustained breakdown below 34,000 could open the door for further downside in the near term, while holding above this support may encourage a technical rebound.

Dollar Index News

- **The US Dollar Index (DXY)** traded modestly firmer overnight, hovering around **101.30–101.60 levels** (recently closing near 101.39–101.41 with small daily gains of ~0.1–0.3%). The greenback found support from lingering safe-haven demand tied to residual Middle East uncertainties and expectations of higher-for-longer (or potentially higher) US interest rates amid sticky inflation risks and shifting Fed rate-hike probabilities. The DXY has climbed toward recent highs near 101.80 and remains a notable headwind for dollar-denominated commodities while staying sensitive to geopolitical headlines and upcoming US data.

Technical Overview

- **DOLLAR INDEX :-** Technically, the Dollar Index (DXY) remains in a bullish trend but is currently facing resistance near the **102.00** level, where profit booking and selling pressure have emerged. Immediate support is placed at **100.50**. A sustained move above **102.00** could extend the bullish momentum towards higher levels, while a break below **100.50** may trigger a deeper corrective decline in the near term.

Forex Insight

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USDINR News

- **USDINR showed marginal firmness overnight and traded in the 94.70–95.20 zone (near recent stabilised levels around 94.90–95.10).** The rupee faced mild pressure from the resilient dollar and residual oil import cost concerns due to Hormuz volatility (India imports ~85% of its oil), but was supported by proactive RBI measures and some easing in broader risk sentiment. The **Reserve Bank of India (RBI)** has remained highly proactive following its early June policy meeting (holding the repo rate steady at 5.25%, with downward GDP growth forecast to 6.6% and upward inflation adjustments). Key tools include significant spot dollar sales through state-run banks, selective NDF market tightening, monitoring of large corporate dollar purchases, and supportive liquidity measures such as USD/INR buy-sell swap auctions, FX hedging subsidies for FCNR(B) deposits, concessional swaps for ECBs, and tax incentives for foreign inflows (targeting substantial capital, potentially $30–50 billion). While the rupee has weakened notably year-to-date amid the earlier prolonged oil supply shock, consistent interventions and recent policy packages have helped stabilise it, limit excessive volatility, and support a recovery from peaks near or above 96 versus Asian peers. Domestic factors like steady foreign institutional outflows and current account concerns persist, but the overall bias has turned more constructive with gradual oil price moderation and geopolitical relief. With no major domestic data releases overnight, USDINR is expected to open cautiously, closely tracking DXY movements, global risk sentiment, and any fresh US-Iran/Hormuz updates as Indian markets begin trading.

Technical Overview

- **USDINR :-** Technically, day trend may remain **Sideways** in USDINR after approaching an important support zone of 94.1 level the next support level is placed at 93.5 level and resistance at 95 if that breaks then the next resistance will at 96

Derivative Insight

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Script	Highest traded Strike Price (CE)	Highest traded Strike Price (PE)	PCR
GOLD	160000	130000	1.20
SILVER	240000	200000	0.64
CRUDE OIL	6600	6500	0.40
NATURAL GAS	310	310	0.83
GOLD MINI	160000	140000	0.90
SILVER MINI	250000	200000	0.57

Highest Traded Commodity	GOLDM	Lowest Traded Commodity	MENTHAOIL

Script	Price	Price Change	OI Change%	Buildup
GOLD	144430	1.33 %	2.76	Long Buildup
SILVER	230384	0.80 %	0.00	Long Buildup
CRUDE OIL	6525	-1.39 %	9.92	Short Buildup
NATURAL GAS	306.8	-1.67 %	-8.70	Long Unwinding
COPPER	1272.25	0.15 %	-1.75	Short Unwinding
ZINC	361.55	-0.73 %	-2.48	Long Unwinding
ALUMINIUM	329.20	-0.12 %	-5.85	Long Unwinding

Nirpendra Yadav
Sr. Research Analyst

Vibhu Ratandhara
Sr. Research Analyst

Lalit Mahajan
Research Analyst

LALIT GANESH MAHAJAN

Digitally signed by LALIT GANESH MAHAJAN
DN: cn=LALIT GANESH MAHAJAN c=IN o=Personal ou=Personal
Reason: I am the author of this document
Location:
Date: 2026-07-02 08:58+05:30

Bonanza Portfolio Ltd.
Bonanza House, Plot No. M-2, Cama Industrial Estate, Walbhat Road, Goregaon (E), Mumbai – 400063 Phone: 022-68363794/708 Website: https://www.bonanzaonline.com SEBI Regn. No.: INZ000212137 BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836 | CDSL: 120 33500 |NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186 Compliance Officer: Trupti Milind Khot, 022-62735507, compliance@bonanzaonline.com