

Commodity Overview

01-10-2024



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Gold & Silver overview:

Gold prices remained down yesterday as USDJPY rose to three-week high and subsequently fell, on speculations about new prime minister's support to BOJ's further policy tightening, which was seen as a violation of central bank's independence, initially weakening yen and then sparking strong rally after news proved false. Yen strengthened more after US data showed moderate increase in consumer spending in August, while inflation continued to slow, adding to expectations for another Fed outsized rate cut.

India's silver demand has been a key factor in supporting prices this year. In just the first four months of 2024, imports reached 4,172 metric tons, surpassing the 3,625 metric tons imported during all of 2023. The surge is largely attributed to the nation's expanding solar energy initiatives, which have boosted the production of solar cells and modules—key applications of silver. India's focus on domestic manufacturing to strengthen its supply chain and reduce dependency on imports from countries like China and Vietnam is also driving this demand.

Technical levels:

GOLD : A range-bound movement is expected in gold today. It has resistance at 76000 and support at 75000.

SILVER :Technically, mild profit booking may continue in today's session. Silver has support at 89000 and resistance at 92000.

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CRUDEOIL1!+NATURALGAS1!, 1D, MCX O6,001 H6,072 L5,924 C5,988 +50 (+0.84%) Vol163.591K
Vol (50) 163.591K



Technical levels:

CRUDE OIL: Technically, range-bound movement is expected today. It has support at 5650 and resistance at 5820.

NATURAL GAS: The bias may remain positive and a small correction could be buying opportunity. It has immediate resistance at 250 and support at 234.

Crude oil & Natural gas overview:

Oil prices gained on Monday but were on track to fall for the third month in a row as a strong supply outlook and questions around demand outweighed fears that Israeli strikes in Lebanon and Yemen could escalate conflict in the Middle East. On Monday, prices had been supported by the possibility that Iran, a key producer and member of the OPEC, may be directly drawn into a widening Middle East conflict.

U.S. natural gas futures remained down slightly on Monday on a small increase in output over the last weekend and forecasts for less demand over the next two weeks than previously expected. While, gas futures up about 45% over the past five weeks, speculators boosted their net long futures and options positions on the NYMEX for a fourth week in a row to their highest since early July, according to the U.S. CFTC report.

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COPPER1!+ALUMINIUM1!+ZINC1!, 1D, MCX O1,386.70 H1,393.55 L1,361.55 C1,370.00 -6.65 (-0.48%) Vol19.093K
Vol (50) 19.093K



Technical levels:

COPPER: Copper prices experienced selling pressure yesterday, but saw some buying towards the end of the day. The next resistance is expected to be at 867, and the support at 840.

ZINC: Zinc prices are currently facing selling pressure from higher levels. If zinc breaks below 279, we can expect further downside movement. The immediate resistance is at 285.

ALUMINIUM: Aluminum prices were near resistance yesterday and experienced selling pressure, engulfing the previous candle. The next resistance is expected to be at 243, and the support at 234.

Base metals overview:

Copper has rallied hard this week as China's pledged stimulus package has rekindled investor enthusiasm.

Renewed optimism that the world's largest copper buyer can recover its lost manufacturing momentum has propelled London Metal Exchange (LME) three-month metal above the \$10,000-per metric ton level for the first time since July.

The turn in macro sentiment has been mirrored by a positive shift in market optics as Shanghai copper stocks have trended sharply lower in recent weeks.

However, copper bulls may be getting ahead of themselves.

There's no shortage of copper, according to the International Copper Study Group (ICSG), which has just updated its supply and demand forecasts for this year and next.

Indeed, the ICSG expects a hefty 469,000-ton global supply surplus this year followed by another 194,000-ton surplus in 2025. The scale of oversupply is more than double that forecast when the Group last met in April.

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