03-06-2026

Bonanza

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

Bonanza

Gold News

- Gold ended marginally higher on Tuesday, gaining 0.3% after touching a near two-month low last week, as investors closely monitored developments in the Middle East and awaited a series of key U.S. economic releases, including the Non-Farm Payrolls report later this week. Market participants are assessing how upcoming data may influence Federal Reserve policy expectations, Treasury yields, and the U.S. dollar.

- Gold continues to draw support from its safe-haven appeal amid geopolitical uncertainty. However, elevated interest rates remain a major headwind for the non-yielding metal, while a stronger U.S. dollar makes gold more expensive for holders of other currencies. Recent U.S. data showed job openings increased more than expected in April, although hiring activity slowed, highlighting lingering economic uncertainty.

- Attention now turns to upcoming U.S. labor market data and comments from Federal Reserve officials for further clues on the interest rate outlook. According to CME's FedWatch Tool, traders currently see a 54% probability of at least one 25-basis-point rate hike this year, compared with 58% a few days ago.

Technical Overview

- **GOLD :** Technically, MCX Gold remains in a range-bound to bullish trend in the short term after decisively breaking out of its multi-week trading range a few days ago. A Pole & Flag pattern is visible on the daily chart, suggesting further upside potential. Any sustained move above the 161,000–164,500 zone is likely to push prices towards the resistance area of 169,000–170,000, provided support at 158,000–157,000–155,000–153,500 remains intact. Prices are trading above the 20-day SMA, indicating that short-term momentum is likely to continue. RSI is at 57 with an upward slope, suggesting further room for upside, while MACD remains above the zero line with a green histogram, indicating that every dip is being viewed as an accumulation opportunity.

Silver Insight

Silver News

- Silver gained 0.5% on Tuesday, outperforming gold and extending its recovery from recent lows. The metal was supported by improved market sentiment and expectations that industrial demand may remain resilient despite ongoing economic uncertainties.

- While silver continues to benefit from its dual role as both a precious and industrial metal, gains remained limited as investors remained cautious ahead of key U.S. economic data releases. Higher interest rates and fluctuations in the U.S. dollar continue to influence investor positioning across the precious metals complex.

- Unlike gold, silver's performance is also closely tied to industrial activity, particularly in sectors such as electronics, renewable energy, and manufacturing. As a result, any improvement in global growth expectations could provide additional support to prices. However, concerns over slower economic growth and expectations of higher-for-longer interest rates continue to act as a restraint on the metal's upside potential.

Technical Overview

- **SILVER:** Silver attempted to break out but failed to sustain above the 271,000 level, which is acting as a key resistance zone. The formation of a long upper wick indicates selling pressure at higher levels. Immediate support is placed at 261,000, while a decisive breakout above 271,000 could revive bullish momentum in the near term.

Crude Oil Insight

Crude oil News

- Crude oil prices extended gains for a second consecutive session on Tuesday, with Brent crude rising 1% and WTI advancing more than 1.2% to a one-week high in volatile trading. Market participants closely monitored developments surrounding the Iran conflict, as Tehran reviewed a proposed agreement with the United States aimed at ending hostilities.

- While Iranian media reported that Tehran had not communicated with Washington in recent days, U.S. President Donald Trump stated that negotiations were continuing. The ongoing conflict has significantly disrupted shipping activity through the Gulf region, effectively restricting a substantial portion of global crude oil and LNG flows and maintaining upward pressure on energy prices.

- The U.S. blockade of Iranian ports also remains in place, adding to supply concerns. Separately, the International Energy Agency warned that global oil inventories could reach critically low levels ahead of the peak summer demand season if current stock drawdowns continue.

Technical Overview

- **CRUDE OIL**: Technically, Crude Oil in the domestic futures market is showing a Double Top formation and is currently testing its swing-low breakout zone. Prices are trading well below the 20-day SMA, indicating continued weakness in the short term. Any sustained move below the 8,500–8,200 support zone could trigger further downside towards the medium-term base area near 7,500. However, prices need to sustain above the 9,100 resistance level for the next leg of the rally. RSI is at 48 with a downward slope, indicating scope for further downside, while MACD remains above the zero line, suggesting buying support may emerge at lower levels.

Natural Gas Insight

Natural gas News

- Natural gas futures ended nearly unchanged after experiencing volatile price action throughout the session. Profit-booking and long unwinding emerged after prices failed to decisively break through key resistance levels.

- Despite the consolidation, the short-term bullish structure remains intact following the recent rebound from important technical support zones. On the broader front, natural gas continues to trade within a wide consolidation range as competing factors influence price action.

- Supply concerns linked to Middle East tensions continue to provide underlying support. However, gains remain capped by expectations of mild U.S. temperatures, which may reduce cooling demand, along with near-record U.S. natural gas production and ample domestic supplies. For now, prices are expected to remain range-bound within the broader 265–325 zone.

Technical Overview

- **NATURAL GAS** : Technically, Natural Gas is witnessing a sideways-to-bullish trend. For the next leg of the upmove, prices need to hold above the 295 support zone. Any sustained move above 325 could extend the rally towards the 345–350 zone, while immediate resistance is placed at 325–330. Support levels are seen at 295–285–265. RSI is near 59 with an upward slope, indicating further upside potential, while MACD remains above the zero line, suggesting every dip is being viewed as a buying opportunity.

Base Metal Insight

Base Metal News

- Base metals ended higher, although price action continues to remain confined within a relatively narrow range seen over recent weeks. Most metals remain close to record highs on domestic exchanges, supported by optimism surrounding potential geopolitical de-escalation and improved risk sentiment across global equity markets.

- However, upside momentum continues to face resistance from concerns over global economic activity, periodic strength in the U.S. dollar, elevated inventory levels, and expectations that interest rates could remain higher for longer. These factors continue to limit aggressive buying interest despite the overall constructive trend. Copper and the broader base metals complex remain supported by improving demand expectations and resilient investor sentiment, though traders remain cautious amid ongoing geopolitical uncertainty and macroeconomic headwinds.

Technical Overview

- **Copper:** Technically, Copper remains in a strong uptrend and, as long as support at 1,350–1,325 holds, prices are likely to test the 1,410–1,415 zone in the short term. Prices are trading above the 20-day SMA, indicating positive short-term momentum. RSI is at 65 with a flat slope, suggesting some profit booking may emerge at higher levels, while MACD remains above the zero line with a rising histogram, indicating continued upside potential.

- **Zinc** : Lower-level buying continues to emerge following last week's profit booking. Technically, Zinc remains in an uptrend with the potential to test the 375–380 zone in the short term, provided support at 363–358–345 holds. RSI is at 66 with a flat slope, indicating mild profit booking at higher levels, while MACD remains above the zero line with an increasing histogram, suggesting buying interest on every decline.

- **Aluminum:** A strong bullish Marubozu candle on the daily chart, accompanied by rising volumes, indicates a strong uptrend in Aluminium. Prices have registered a new all-time high on the domestic futures exchange and are expected to move towards the 400 mark as long as support at 385–380–365–350–345 remains intact. RSI is at 68 with a flat slope, indicating some possibility of profit booking at higher levels, while MACD remains firmly above the zero line, reflecting strong buying support on dips.

- **Nickel** : Nickel has taken support near the 1,800 level and formed a base before breaking out from the consolidation zone. The immediate resistance is placed at 1,900, while support remains at 1,800. A sustained breakout above 1,900 could trigger a fresh bullish move and extend the ongoing uptrend.

- **Electricity Futures**:Electricity Futures, after giving a range breakout, failed to sustain the bullish momentum and have slipped back near the key support zone of 4,500. Immediate resistance is placed at 5,200. A decisive move above resistance could reignite bullish momentum, while a breakdown below support may invite fresh selling pressure.

- **Bulldex**: The Bullion Index (Bulldex) has eroded the gains of last week's bullish move and continues to show signs of weakness. Immediate support is placed at 38,000, while resistance is seen at 40,000. A breakout on either side could determine the next directional move.

Dollar Index News

- **The US Dollar Index (DXY)** traded modestly firmer overnight, hovering around **99.35–99.65 levels** (closing near 99.48 on June 2). The greenback gained support from lingering safe-haven flows tied to unresolved Hormuz tensions and Middle East uncertainties. Expectations that US interest rates may remain higher for longer due to sticky inflation risks (partly from earlier energy spikes) also provided a solid floor. The DXY has pulled back from 2026 peaks above 100 but continues to rebound on any geopolitical developments and remains a notable headwind for dollar-denominated commodities.

Technical Overview

- **DOLLAR INDEX :-** The Dollar Index (DXY), after breaking out of a symmetrical triangle pattern, is currently trading in a narrow range between 98.93 and 99.40. A breakout above 99.40 could strengthen bullish momentum and open the door towards higher levels, while a move below 98.93 may trigger renewed selling pressure in the near term.

Forex Insight

USDINR News

- **USDINR showed marginal firmness overnight and traded in the 96 – 95.35 zone (near recent multi-week highs around 96.85–97.05 levels).** The rupee continued facing sustained pressure from the resilient dollar, elevated crude oil import costs due to persistent Hormuz disruptions (India imports ~85% of its oil), steady foreign institutional outflows, and broader current account concerns. The **Reserve Bank of India (RBI)** has stayed highly proactive with regular spot dollar sales through state-run banks, selective NDF market tightening, monitoring of large corporate dollar purchases, and liquidity measures such as the recent $5 billion USD/INR buy-sell swap auction. Although some stricter FX curbs imposed earlier have been partially rolled back, the RBI continues aggressive vigilance to defend key psychological levels around 97 and limit rupee underperformance versus other Asian currencies. Domestic factors like the significantly inflated oil import bill have added to the downward bias, though consistent interventions have helped cap sharper declines and kept intraday volatility relatively contained. 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 headlines as Indian markets begin trading. The rupee has weakened notably year-to-date amid the prolonged oil supply shock.

Technical Overview

- **USDINR :-** Technically, day trend may remain **BULLISH** in USDINR after approaching an important support zone of 95.13 level the next support level is placed at 94.3 level and resistance at 97 if that breaks then the next resistance will at 98

Derivative Insight

Script	Highest traded Strike Price (CE)	Highest traded Strike Price (PE)	PCR
GOLD	170000	150000	0.64
SILVER	300000	240000	0.81
CRUDE OIL	9000	8000	1.29
NATURAL GAS	300	300	0.89
GOLD MINI	165000	155000	0.76
SILVER MINI	300000	230000	0.90

Highest Traded Commodity	GOLDM	Lowest Traded Commodity	CARDAMOM

Script	Price	Price Change	OI Change%	Buildup
GOLD	159346	3.30 %	--	--
SILVER	266707	0.20 %	-1.90	Short Unwinding
CRUDE OIL	8950	2.45 %	-3.55	Short Unwinding
NATURAL GAS	302.4	-0.10 %	3.74	Short Buildup
COPPER	1379	0.99 %	-0.68	Short Unwinding
ZINC	373.60	1.60 %	-10.00	Short Unwinding
ALUMINIUM	394.75	0.66 %	53.81	Long Buildup

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