03-07-2026

Bonanza

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

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Gold News

- Gold prices rose for a second consecutive session on Wednesday, with spot gold gaining around 1.6% as weaker-than-expected U.S. employment data and comments from Federal Reserve Chair Kevin Warsh suggesting easing inflationary pressures boosted sentiment. The ADP National Employment Report showed private payrolls increased by 98,000 in June, below market expectations of 118,000, strengthening hopes that the Fed may adopt a less aggressive policy stance. Meanwhile, ongoing technical talks between the U.S. and Iran in Doha over shipping through the Strait of Hormuz and a lasting ceasefire also supported market confidence. According to the CME FedWatch Tool, markets now see a 65% probability of a September rate hike, lower than earlier expectations, which helped gold recover despite 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, rising nearly 2.5% as investors covered short positions after the metal recently touched its lowest level since November and posted its sharpest quarterly decline in thirteen years. The weaker U.S. labour market data reduced expectations of aggressive Federal Reserve tightening, improving sentiment across precious metals. While the stronger U.S. dollar continues to limit gains by making silver more expensive for overseas buyers, easing inflation concerns and hopes of a less hawkish Fed provided support. Looking ahead, silver is expected to remain sensitive to interest rate expectations, dollar movements, and industrial demand, particularly from the renewable energy and electronics sectors.

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 U.S.-Iran negotiations eased concerns over supply disruptions. Positive comments from U.S. President Donald Trump regarding recent talks in Qatar and continued technical discussions in Doha over shipping through the Strait of Hormuz reduced the geopolitical risk premium in oil prices. Although U.S. crude inventories fell by 3.8 million barrels to their lowest level since September 2018 due to stronger refinery demand ahead of the July 4 holiday, the decline was smaller than market expectations, allowing improving supply sentiment to keep pressure on crude 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

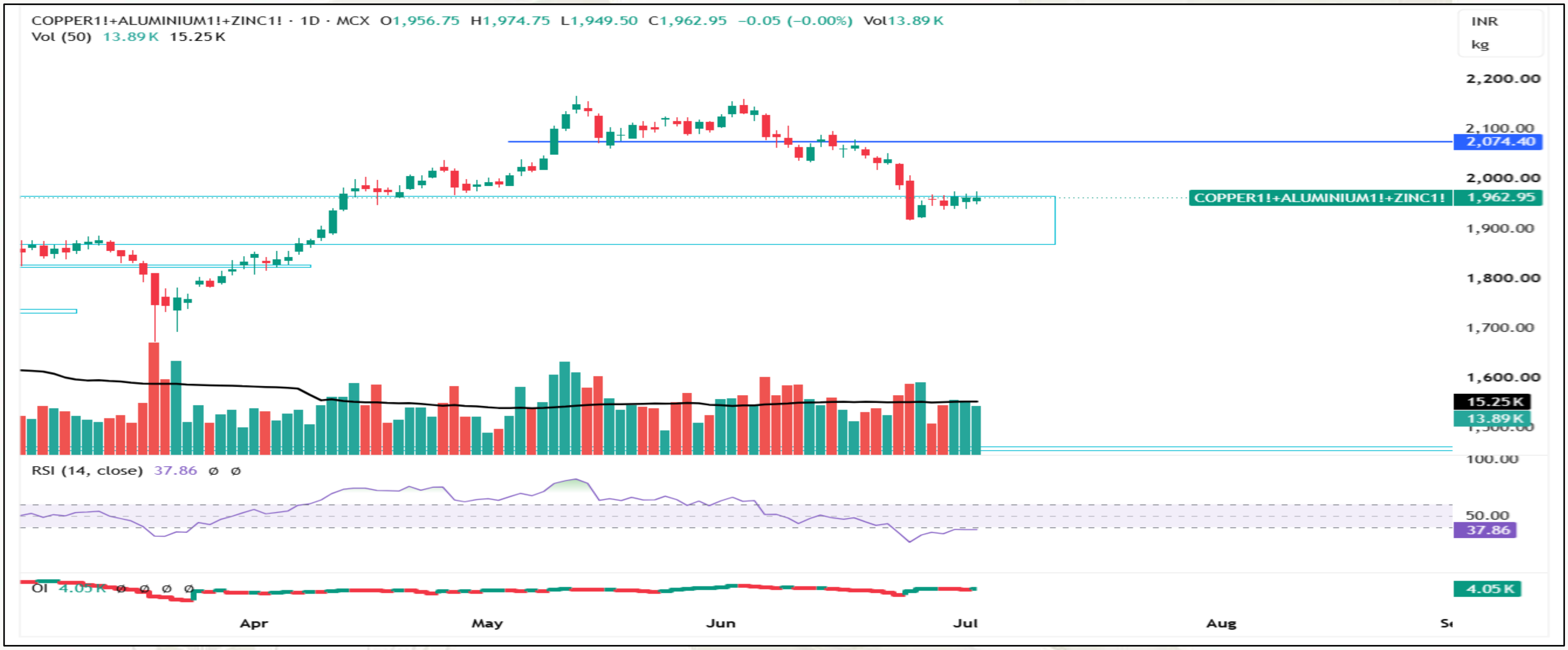
Natural gas News

- Natural gas futures edged lower on Wednesday as traders booked profits following the previous session's strong rally, while prices continued to trade within a relatively narrow range. The short-term bullish trend remains intact after prices rebounded from key technical support levels, but near-record U.S. production, comfortable supply conditions, and forecasts for relatively mild weather continue to cap upside momentum. At the same time, lingering geopolitical risks in the Middle East continue to provide support during market declines. Unless there is a significant change in weather forecasts or supply conditions, natural gas is expected to remain range-bound within the broader trading band of **285–325**.

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 little changed on Wednesday, trading within a narrow range as investors balanced easing geopolitical tensions against ongoing macroeconomic uncertainty. A stronger U.S. dollar, elevated inventory levels, and expectations that global interest rates may remain higher for longer continued to weigh on sentiment, while higher energy costs and slower manufacturing activity kept demand concerns intact. Although long-term fundamentals remain supported by infrastructure spending and the energy transition, near-term price action is likely to remain volatile as markets monitor global economic data, central bank policy, and developments in the Middle East.

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.

Forex Insight

Dollar Index News

- **The US Dollar Index (DXY)** traded modestly firmer overnight, hovering around **101.40–101.70 levels** (recently closing near 101.45–101.55 with small daily gains of ~0.1–0.3%). The greenback found support from lingering safe-haven flows tied to residual Middle East uncertainties, combined with expectations of higher-for-longer (or potentially higher) US interest rates amid persistent sticky core inflation data and shifting Fed rate-hike probabilities for upcoming meetings. The DXY has climbed toward recent highs near 101.80–102 and continues to act as a significant headwind for dollar-denominated commodities like base metals, while remaining highly sensitive to any fresh geopolitical headlines, upcoming US economic releases, and Fed commentary.

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

USDINR News

❑ **USDINR showed marginal firmness overnight and traded in the 94.70–95.20 zone (near recent stabilised levels around 94.90–95.05).** The rupee faced mild underlying pressure from the resilient dollar and residual oil import cost concerns due to Hormuz-related volatility (India imports ~85% of its oil), but was well-supported by proactive RBI actions and gradual easing in broader risk sentiment. The **Reserve Bank of India (RBI)** has remained extremely vigilant 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 projections). Key ongoing measures include frequent spot dollar sales through state-run banks (often $2–4 billion on volatile sessions), selective NDF market tightening, close monitoring of large corporate dollar purchases, and supportive liquidity tools such as USD/INR buy-sell swap auctions, FX hedging subsidies for FCNR(B) deposits, concessional swaps for ECBs, and tax incentives to attract foreign inflows (targeting $30–50 billion). While the rupee has weakened notably year-to-date due to the earlier prolonged oil supply shock, consistent RBI interventions and policy packages have helped stabilise the currency, limit excessive volatility, and support a meaningful recovery from recent 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 moderating oil prices 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 95.8 if that breaks then the next resistance will at 97

Derivative Insight

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Script	Highest traded Strike Price (CE)	Highest traded Strike Price (PE)	PCR
GOLD	160000	130000	1.08
SILVER	240000	230000	0.62
CRUDE OIL	6500	6500	0.48
NATURAL GAS	305	300	0.90
GOLD MINI	160000	140000	0.86
SILVER MINI	300000	230000	0.57

Highest Traded Commodity	GOLDM	Lowest Traded Commodity	MENTHAOIL

Script	Price	Price Change	OI Change%	Buildup
GOLD	145758	0.92 %	1.34	Long Buildup
SILVER	233304	1.27 %	0.60	Long Buildup
CRUDE OIL	6540	0.23 %	-4.13	Short Unwinding
NATURAL GAS	306	-0.26 %	12.30	Short Buildup
COPPER	1275	0.22 %	-0.45	Short Unwinding
ZINC	359.75	-0.50 %	3.81	Short Buildup
ALUMINIUM	328.20	-0.30 %	1.78	Short Buildup

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