05-06-2026

Bonanza

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

Gold News

- Gold prices ended higher on Thursday, gaining nearly 1% as easing geopolitical tensions in the Middle East weighed on crude oil prices, the U.S. dollar, and Treasury yields, providing support to the precious metal. Optimism surrounding a potential resolution to the Iran conflict reduced inflation concerns and eased expectations of further monetary tightening, improving sentiment toward bullion.

- Gold continued to find support from its safe-haven status, while lower bond yields enhanced the appeal of the non-yielding asset. Reports of a ceasefire agreement between Israel and Lebanon also pressured the dollar and Treasury yields, helping gold remain above its key 200-day moving average. On the investment front, India's physically-backed gold exchange-traded funds (ETFs) recorded their first monthly net outflow in a year during May as investors booked profits following the sharp rise in domestic prices after higher import duties. Despite the recent outflows, gold ETFs have still attracted significant inflows so far this year, highlighting continued investor interest in the metal.

- Industry consultancy Metals Focus expects physical investment demand to become the largest component of global gold demand this year, overtaking jewellery demand for the first time. The firm also forecasts gold prices to resume their long-term bullish trend in the second half of 2026, supported by ongoing geopolitical and economic uncertainties. According to CME's FedWatch Tool, traders currently see a 54% probability of at least one 25-basis-point Federal Reserve 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 prices advanced 1.7% on Thursday, outperforming gold as improving risk sentiment and lower Treasury yields supported buying interest across the precious metals complex. The decline in crude oil prices eased inflation concerns, while weakness in the U.S. dollar made silver more affordable for holders of other currencies. In addition to benefiting from precious metal demand, silver received support from its industrial metal characteristics, as hopes of easing geopolitical tensions improved sentiment toward global economic activity and industrial demand prospects.

- The metal recovered strongly from recent weakness as investors reassessed the outlook for interest rates following softer inflation concerns linked to falling energy prices. However, silver remains sensitive to fluctuations in global growth expectations, manufacturing activity, and developments in the Middle East conflict.

- Going forward, traders will continue to monitor U.S. economic data, Federal Reserve commentary, and geopolitical developments for further direction. While lower yields and a softer dollar remain supportive, expectations that interest rates could stay elevated for longer may continue to limit aggressive upside momentum.

Technical Overview

- **SILVER:** Silver attempted a breakout 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

- Oil prices declined sharply on Thursday, with Brent and WTI futures falling around 3% amid hopes that the U.S.-Iran conflict could move closer to a resolution. Optimism increased after Israel and Lebanon agreed to implement a ceasefire, raising expectations that diplomatic progress could eventually lead to the reopening of the Strait of Hormuz and improve global energy supply flows. Additionally, a resolution passed by the U.S. House of Representatives seeking to limit further military involvement in Iran added to expectations of de-escalation.

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 higher after volatile trading, supported by lower-level buying and improving demand expectations. The short-term bullish trend remains intact following the recent rebound from key technical support levels. However, the broader market continues to trade within a wide range as supply concerns linked to Middle East tensions provide support, while mild weather forecasts and near-record U.S. production continue to cap gains. Prices are expected to remain range-bound between the 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 that every dip is being viewed as a buying opportunity.

Base Metal Insight

Base Metal News

- Base metals ended largely unchanged, with prices continuing to consolidate near record highs on domestic exchanges. Optimism surrounding potential geopolitical de-escalation and improved risk sentiment remains supportive. However, concerns over global economic growth, elevated inventories, periodic dollar strength, and expectations of higher-for-longer interest rates continue to restrict stronger upside momentum across the complex.

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 63 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 63 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 second consecutive red candle has formed after the recent record-high rally, indicating some profit booking at higher levels. However, the broader trend remains positive, and prices are still expected to move towards the 400 mark as long as support at 385–380–365–350–345 remains intact. RSI is at 61 with a flat slope, indicating scope for further long unwinding, while MACD remains well above the zero line, reflecting strong buying support on dips.

- **Nickel** : Nickel failed to witness a strong follow-through move after its base breakout and has slipped back towards the support zone. Prices are currently trading near the key support level of 1,790, while immediate resistance is placed at 1,850. A sustained move above resistance could revive bullish momentum, whereas a breakdown below support may invite further weakness in the near term.

- **Electricity Futures**:Electricity Futures, after giving a range breakout, failed to sustain 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.

Forex Insight

Dollar Index News

- **The US Dollar Index (DXY)** traded modestly firmer overnight, hovering around **99.40–99.55 levels** (closing near 99.43–99.53 on June 3 with small gains of 0.1–0.3%). The greenback found support from safe-haven demand tied to renewed Hormuz tensions and Middle East uncertainties, along with expectations of higher-for-longer US interest rates amid sticky inflation risks linked to energy prices. The DXY has moderated from earlier 2026 peaks above 100 but rebounds on geopolitical flares and remains a key 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 96.00–96.60 zone (near recent multi-week highs).** 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 remained highly proactive with significant spot dollar sales through state-run banks, selective NDF market tightening, monitoring of large corporate dollar purchases, and liquidity tools such as the recent $5 billion USD/INR buy-sell swap auction. While some stricter FX curbs imposed earlier have been partially rolled back, the RBI continues aggressive vigilance to defend key psychological levels and limit rupee underperformance versus Asian peers. 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 volatility somewhat contained. With the RBI monetary policy decision approaching on June 5 (widely expected to hold rates steady), 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

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Script	Highest traded Strike Price (CE)	Highest traded Strike Price (PE)	PCR
GOLD	170000	150000	0.69
SILVER	280000	240000	0.79
CRUDE OIL	9000	8500	1.06
NATURAL GAS	320	300	1.88
GOLD MINI	160000	155000	0.73
SILVER MINI	275000	250000	0.69

Highest Traded Commodity	CRUDE OIL	Lowest Traded Commodity	CARDAMOM

Script	Price	Price Change	OI Change%	Buildup
GOLD	159547	0.65 %	0.85	Long Buildup
SILVER	264796	0.70 %	2.09	Long Buildup
CRUDE OIL	8842	-4.31 %	-22.24	Long Unwinding
NATURAL GAS	321.9	3.87 %	19.84	Long Buildup
COPPER	1376.35	0.62 %	0.00	Long Unwinding
ZINC	371.75	-0.42 %	-6.16	Long Unwinding
ALUMINIUM	390.10	-0.74 %	-6.60	Long Unwinding

Commodity Morning Update

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