07-07-2026

Bonanza

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

Gold News

- Gold prices edged lower on Monday, with spot gold slipping around 0.3% after retreating from a two-week high as a firmer U.S. dollar weighed on investor sentiment. However, losses remained limited following signs of a cooling U.S. labour market, which reduced expectations of an aggressive Federal Reserve rate hike. Historically, gold benefits during periods of geopolitical uncertainty and inflation, but higher interest rates reduce the appeal of non-yielding assets. The stronger U.S. dollar also made gold more expensive for overseas buyers, limiting demand. According to the CME FedWatch Tool, markets now price a 57% probability of a September rate hike, down from higher expectations seen previously, providing some support to bullion despite continued dollar strength.

Technical Overview

- **GOLD :** Technically, MCX Gold remains in a short-term downtrend as prices continue to trade below the 20, 50, and 100-day SMAs after breaking below the long-term 200-day SMA. The swing-low breakdown, accompanied by higher trading volumes, indicates that bears remain in control. Any pullback at current levels is likely to be viewed as a technical correction, with prices expected to drift towards the **136,000–136,500** zone as long as resistance at **148,000–149,500** holds. RSI is at **45** with a flat slope, suggesting downside momentum remains intact, while the **MACD is well below the zero line with an expanding red histogram**, indicating continued bearish momentum.

Silver Insight

Silver News

- Silver prices also declined marginally by around 0.3% on Monday, tracking weakness in gold as the stronger U.S. dollar continued to pressure the precious metals complex. The downside, however, remained limited as softer U.S. labour market data reduced expectations of further aggressive monetary tightening by the Federal Reserve. While easing rate hike expectations supported sentiment, silver continued to face headwinds from dollar strength and uncertainty surrounding global industrial demand. Going forward, price direction is expected to remain influenced by Federal Reserve policy expectations, U.S. economic data, and industrial demand from sectors such as renewable energy and electronics.

Technical Overview

- **SILVER:** Silver traded in a narrow range after a flat opening and is currently hovering near the key resistance level of **240,000**. The inability to move decisively above this level indicates a lack of bullish follow-through. Immediate support is placed at **230,000**, while a sustained breakout above **240,000** could trigger fresh buying momentum in the near term.

Crude Oil Insight

Crude oil News

❑ Crude oil prices ended largely unchanged on Monday, with Brent crude rising 0.1% and WTI gaining 0.2%, as markets balanced improving global supply prospects against recovering demand. Saudi Arabia cut the official selling price of its flagship Arab Light crude for August to Asia by the largest margin since 2003, while OPEC+ approved another production increase beginning in August. Meanwhile, exports through the Strait of Hormuz continued to recover as regional tensions eased. The UAE also increased crude production to near-record levels, although actual exports remain constrained following earlier disruptions caused by the Iran conflict. Additionally, the U.S. continued releasing oil from its Strategic Petroleum Reserve, while discounted crude sales from Saudi Arabia and ADNOC further reinforced expectations of ample global supply, keeping oil prices near pre-Iran war levels.

Technical Overview

❑ **CRUDE OIL**: Technically, Crude Oil in the domestic futures market remains in a strong downtrend, with prices trading below the **20, 50, 100, and 200-day SMAs**. Only **4 positive sessions out of the last 15** highlight persistent selling pressure and weak market sentiment. The prevailing trend suggests prices could extend their decline towards the **6,000** level in the short term. On the upside, prices need to sustain above the **7,400–7,500** resistance zone to signal any meaningful recovery. RSI is at **32** with a downward slope, indicating continued downside momentum, while **MACD remains below the zero line**, confirming bearish sentiment.

Natural Gas Insight

Natural gas News

- Natural gas futures ended almost unchanged on Monday after recovering from intraday lows, with prices continuing to trade within a subdued range despite higher trading volumes. The short-term bullish trend remains intact following the recent rebound from key technical demand zones, but gains continue to be capped by forecasts for relatively mild U.S. temperatures, near-record domestic production, and comfortable supply conditions. At the same time, lingering geopolitical risks in the Middle East continue to provide support during price declines. Unless weather conditions become significantly hotter or supply disruptions intensify, 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 rally, prices need to sustain above the **320–325** resistance zone. A successful breakout could extend gains towards the **345–350** range, while support remains intact at **295–285**. RSI is near **54** with a flat slope, indicating room for further upside, while **MACD remains above the zero line**, suggesting that dips continue to attract buying interest.

Base Metal Insight

Base Metal News

- Copper and other base metals ended the session little changed as investors weighed ongoing geopolitical developments against broader macroeconomic concerns. While potential U.S. tariff measures continue to offer some underlying support, a stronger U.S. dollar, elevated inventory levels, and expectations that global interest rates may remain higher for longer continued to limit upside momentum. In addition, higher energy costs and slowing manufacturing activity remain key concerns for industrial metal demand. Overall, the base metals complex is expected to remain volatile, with market participants closely monitoring economic data, central bank policy, inventory trends, and developments in the Middle East.

Technical Overview

- **Copper:** Technically, Copper remains in a **downtrend**, and as long as resistance at **1,290–1,310** holds, prices are expected to decline towards the **1,150–1,160** zone in the short term. Prices continue to trade below the **20-day SMA**, indicating ongoing long unwinding. RSI is at **47** with a flat slope, suggesting profit booking at higher levels, while **MACD remains above the zero line with a rising histogram**, indicating buying interest could emerge on deeper corrections.

- **Zinc** : Zinc ended higher after giving a swing breakout and is attempting to sustain above the short-term **20-day SMA**, indicating that bulls are gradually regaining control. A decisive move above the **372–377** resistance zone could trigger a sharp rally, provided support at **360–355** remains intact. RSI is at **58** with an upward slope, indicating improving momentum, while **MACD remains above the zero line with an increasing histogram**, reflecting continued buying on dips.

- **Aluminum :** Aluminium continues to remain under pressure despite trading in a narrow range. The broader technical structure still suggests the possibility of further downside towards the **330–325** support zone, as long as resistance at **340–345/360** caps the upside. RSI is at **29** with a downward slope, indicating continued long unwinding, while **MACD remains below the zero line**, suggesting selling pressure is likely to persist on rallies.

- **Nickel** : Nickel has been witnessing consolidation after the sharp sell-off seen since the last week of June. Prices are currently forming a series of **small-bodied candles**, indicating indecision near lower levels. Immediate support is placed at **1,520**, while resistance is seen at **1,650**. A breakout on either side of this range is likely to determine the next directional move.

- **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 **101.60–101.85 levels** (recently closing near 101.68–101.75 with small daily gains of ~0.1–0.25%). The greenback drew support from lingering safe-haven flows tied to residual Middle East uncertainties, combined with growing expectations of higher-for-longer (or potentially higher) US interest rates amid persistent sticky core inflation data and shifting market pricing for upcoming FOMC meetings. The DXY has remained elevated near recent highs around 101.80–102 and continues to act as a notable headwind for dollar-denominated commodities like base metals, while staying sensitive to any fresh geopolitical headlines, upcoming US economic releases, and Fed signals.

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 94.60–95.10 zone (near recent stabilised levels around 94.80–95.00).** The rupee faced mild pressure from the resilient dollar and residual oil import cost concerns due to lingering Hormuz-related volatility (India imports ~85% of its oil), but was well-supported by proactive RBI actions and gradual improvement in global 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 days), 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	155000	135000	0.97
SILVER	300000	200000	0.70
CRUDE OIL	6600	6500	0.55
NATURAL GAS	310	310	1.22
GOLD MINI	145000	160000	0.83
SILVER MINI	240000	200000	0.70

Highest Traded Commodity	GOLD	Lowest Traded Commodity	MENTHAOIL

Script	Price	Price Change	OI Change%	Buildup
GOLD	146917	-0.31 %	0.75	Short Buildup
SILVER	236099	-0.55 %	2.10	Short Buildup
CRUDE OIL	6551	-0.26 %	-0.10	Long Unwinding
NATURAL GAS	309.1	-0.42 %	0.57	Short Buildup
COPPER	1287.40	0.20 %	-0.98	Short Unwinding
ZINC	370.80	1.13 %	18.01	Long Buildup
ALUMINIUM	332.45	0.67 %	-5.83	Short Unwinding

Nirpendra Yadav
Sr. Research Analyst

Vibhu Ratandhara
Sr. Research Analyst

Lalit Mahajan
Research Analyst

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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