12-09-2025

Prime Brokerage

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

Gold News

- The latest U.S. macro data presents a mixed backdrop for gold, with upside potential in the near term. The stronger-than-expected rise in the Consumer Price Index (CPI) to 0.4% month-on-month in August suggests lingering inflation pressures, which would normally push the Federal Reserve to maintain a tighter stance. However, the simultaneous increase in jobless claims indicates softening labor market conditions, fueling speculation that the Fed may pivot to a more dovish stance at its upcoming September 16–17 Federal Open Market Committee meeting.

- This dovish expectation has the potential to weaken the United States dollar and lower real yields, both of which are supportive for gold as a non-yielding asset. Additionally, policy uncertainty and concerns over slowing economic momentum could drive safe-haven demand, further supporting gold prices in the short term.

Technical Overview

- **GOLD :** Technically, Gold prices remained flat for the second consecutive day and remained near higher levels. Gold prices are bullish on the long-term charts and momentum indicators are remaining bullish on the daily chart. Gold prices are hovering at the upper trend line of a long-term channel with moderate buying momentum indicating an uptrend in today’s session. Gold has support at 108,000 and resistance at 110,000.

Silver Insight

Silver News

- Silver is likely to experience a more nuanced impact from the mixed U.S. economic data. While the hotter CPI print suggests persistent inflation that might limit the Fed's room to cut rates aggressively, the rising jobless claims highlight weakening labor conditions that could prompt a more dovish shift in policy. A softer monetary stance would likely pressure the U.S. dollar and reduce real yields, which generally supports precious metals like silver.

- However, unlike gold, silver has a significant industrial demand component, and signs of labor market weakness may raise concerns about slowing economic activity, which could cap silver's upside. Overall, silver may benefit from lower rate expectations and a weaker dollar, but its gains could be tempered compared to gold if growth concerns weigh on broader industrial demand.

Technical Overview

- **SILVER:** Technically, Silver prices have given a break-out from a short-term rectangle price pattern on the daily chart. The prices are continue making higher high with strong buying momentum while momentum indicators are bullish on the daily chart indicating an upside move in today's session. Silver has support at 124000 and resistance at 128000.

Crude Oil Insight

Crude oil News

- **Oil prices slipped** on Thursday, weighed down by **concerns over weakening U.S. demand and broad market oversupply**.
- This overshadowed lingering geopolitical risks from **conflict in the Middle East** and the **Russia-Ukraine war**, which had earlier injected risk premium into prices. With **refinery utilization softening post-summer and product stocks remaining ample**, traders grew cautious about near-term demand strength, pressuring crude lower.

Technical Overview

- **CRUDE OIL**: Technically, crude oil prices retreated yesterday and formed a bearish engulfing candle pattern at the recent high. The prices are remaining below 50, 100 and 200-day SMA with weak buying momentum, while momentum indicators are bearish on the daily chart indicating a downside move in today's session. Crude oil has resistance at 5700 and support at 5400.

Natural Gas Insight

Natural gas News

- **U.S. natural gas futures gave back recent gains** after storage data showed an **inventory build above the five-year average**, reinforcing a comfortable supply buffer.
- **Mild temperatures** across much of the Midwest, Northeast, and Mid-Atlantic regions,
- **Light demand following the Labor Day holiday**,
- likely contributed to reduced consumption and higher injections into storage. The ample storage surplus continues to cap upside momentum and could prompt additional profit-taking on rallies.

Technical Overview

- **NATURAL GAS** : Technically, natural gas prices are retreated from 100-day SMA and have formed a cluster of bearish candles at the recent high. The prices are trading below 50, 100 and 200-day SMA while momentum indicators are bearish on the daily chart indicating a downtrend in today's session. Natural gas has resistance at 280 and support at 240.

Base Metal Insight

Base Metal News

- The US unadjusted CPI annual rate for August recorded 2.9%, hitting a new high since January, higher than expected, but core CPI remained stable, and the job market continued to weaken. Initial jobless claims for the week of September 6 surged to 263,000, the highest in nearly four years. After the data release, market expectations for US Fed interest rate cuts further strengthened, fully pricing in three rate cuts by the end of 2025.

- The US dollar index pulled back in response, supporting copper prices. On the fundamentals side, imported and domestic supplies are expected to continue arriving next week, and market supply is expected to increase. However, copper prices again standing above the high of 80,000 yuan/mt suppressed downstream purchase willingness, and consumption performance remained sluggish.

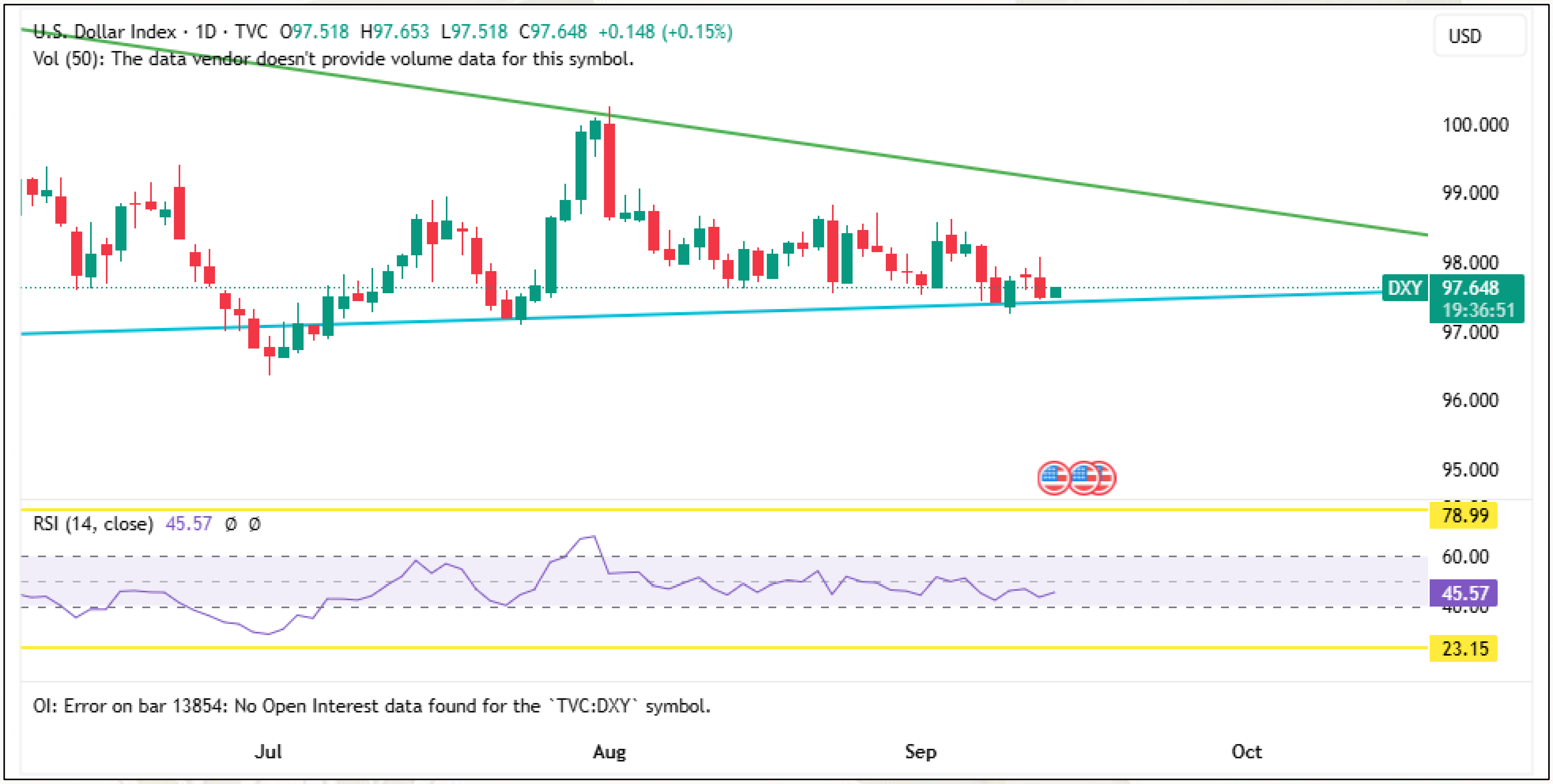
Technical Overview

- **Copper:** prices gained yesterday and trading above the crucial support levels on the daily chart. The volume on the daily chart is remaining high while prices have formed a bullish Harami candle pattern and the recent lows. Copper is trading above 50, 100 and 200-day SMA while momentum indicators are bullish on the daily chart indicating an upside move in today's session. Copper has resistance at 920 and support at 890.

- **Zinc:** prices continue the uptrend yesterday and traded near the recent highs with moderate buying momentum. The prices have given a break-out from a long-consolidation phase and volume has increased while momentum indicators are positive on the daily chart indicating a mild upside trend in today's session. Zinc has support at 274 and resistance at 282.

- **Aluminium:** prices have given a break-out from long consolidation phase on the daily chart and a bullish belt hold with strong volume signals further upside rally for the upcoming days. The MACD has given a bullish crossover and RSI is at 67, indicating an uptrend in today's session. Aluminium has support at 248 and resistance at 264.

Forex Insight



Dollar Index News

- The dollar index edged lower on Thursday as falling U.S. bond yields and firm bets on upcoming Federal Reserve rate cuts outweighed support from safe-haven flows, while the European Central Bank kept rates steady but signaled lower inflation projections ahead.

- Markets are now pricing a 97% probability of a 25-basis-point Fed rate cut next month and nearly 60 bps of easing by December, compared with expectations of just 14 bps of cumulative rate reductions by the ECB through 2026. Persistent policy divergence, along with concerns over the U.S. trade stance, has kept the greenback under pressure, contributing to the dollar index's broader downtrend this year.

Technical Overview

- **DOLLAR INDEX :-** Technically, DXY witness a selling from higher level and again approach the support level of 97 $ and resistance at 98 , maintaining its lower low and lower high formation intact.

Forex Insight

USDINR News

- The Indian rupee weakened to a fresh all-time low on Thursday, with September NSE futures closing at 88.50, down 30 paise from the previous 88.20 close, as persistent tariff-related uncertainty, foreign outflows, and weakness in Asian peers pressured the currency despite intermittent support from likely central bank intervention and softer U.S. yields. Heavy foreign portfolio outflows continue to weigh, with FPIs pulling $4 billion from equities in August and $1.3 billion so far in September, while exporters hit by punitive U.S. tariffs of up to 50% have sought relief from the central bank.

- Trade tensions dominated sentiment as U.S. officials struck a cautiously optimistic tone on resolving disputes, though Washington signaled progress hinges on India curbing Russian oil imports. The rupee remains one of Asia's worst-performing currencies this year, hurt by sustained dollar demand and dented investor confidence.

Technical Overview

- **USDINR :-** Technically, day trend may remain BULLISH in USDINR after approaching an important support zone of 88 level the next support level is placed at 87.35 level and resistance at 88.6 if that breaks then the next resistance will at 89.20

Derivative Insight

Script	Highest traded Strike Price (CE)	Highest traded Strike Price (PE)	PCR
GOLD	110000	108000	1.65
SILVER	125000	125000	1.22
CRUDE OIL	5600	5500	0.42
NATURAL GAS	270	270	0.54
GOLD MINI	109000	108000	1.90
SILVER MINI	125000	124000	1.51

Highest Traded Commodity	GOLD

Lowest Traded Commodity	CARDAMOM

Script	Price	Price Change	OI Change%	Buildup
GOLD	108981	0.00 %	-2.47	Long unwinding
SILVER	126938	1.40 %	8.28	Long Buildup
CRUDE OIL	5529	-1.65 %	-8.56	Long unwinding
NATURAL GAS	260.7	-2.61 %	15.59	Short Buildup
COPPER	913	0.63 %	1.86	Long Buildup
ZINC	279.10	0.87 %	-22.35	Short unwinding
ALUMINIUM	260.05	1.88 %	4.73	Long Buildup

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