16-09-2025

Prime Brokerage

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

Gold News

- Gold prices hovered near record highs in Asian trading on Monday after advancing for a fourth consecutive week, supported by growing expectations that the Federal Reserve will cut interest rates later this week.

- Bullion gained 1.5% last week, marking its fourth weekly rise, and has surged nearly 40% year-to-date, fuelled by safe-haven demand amid Donald Trump's trade policies.

Technical Overview

- **GOLD :** Technically, Gold prices remained up yesterday after a week of consolidation. The prices are trading above the upper trend line with strong buying momentum. While, momentum indicators are remaining bullish on the daily chart indicating an uptrend in today's session. Gold has support at 109,000 and resistance at 113,000.

Silver Insight

Silver News

- The Fed will begin its **two-day policy meeting on Tuesday**, with markets **pricing in over a 96% probability of a 25-basis point cut**, and some positioning for a **larger 50-bps cut**.
- Confidence in imminent policy easing strengthened following **major downward revisions to U.S. jobs data**, signalling **a cooling labour market**.

Technical Overview

- **SILVER:** Technically, Silver prices gained after a gap-down opening yesterday. The prices have given a break-out from a short-term rectangle price pattern and continue making higher high with strong buying momentum while momentum indicators are bullish on the daily chart indicating an upside trend in today's session. Silver has support at 126000 and resistance at 131000.

Crude Oil Insight

Crude oil News

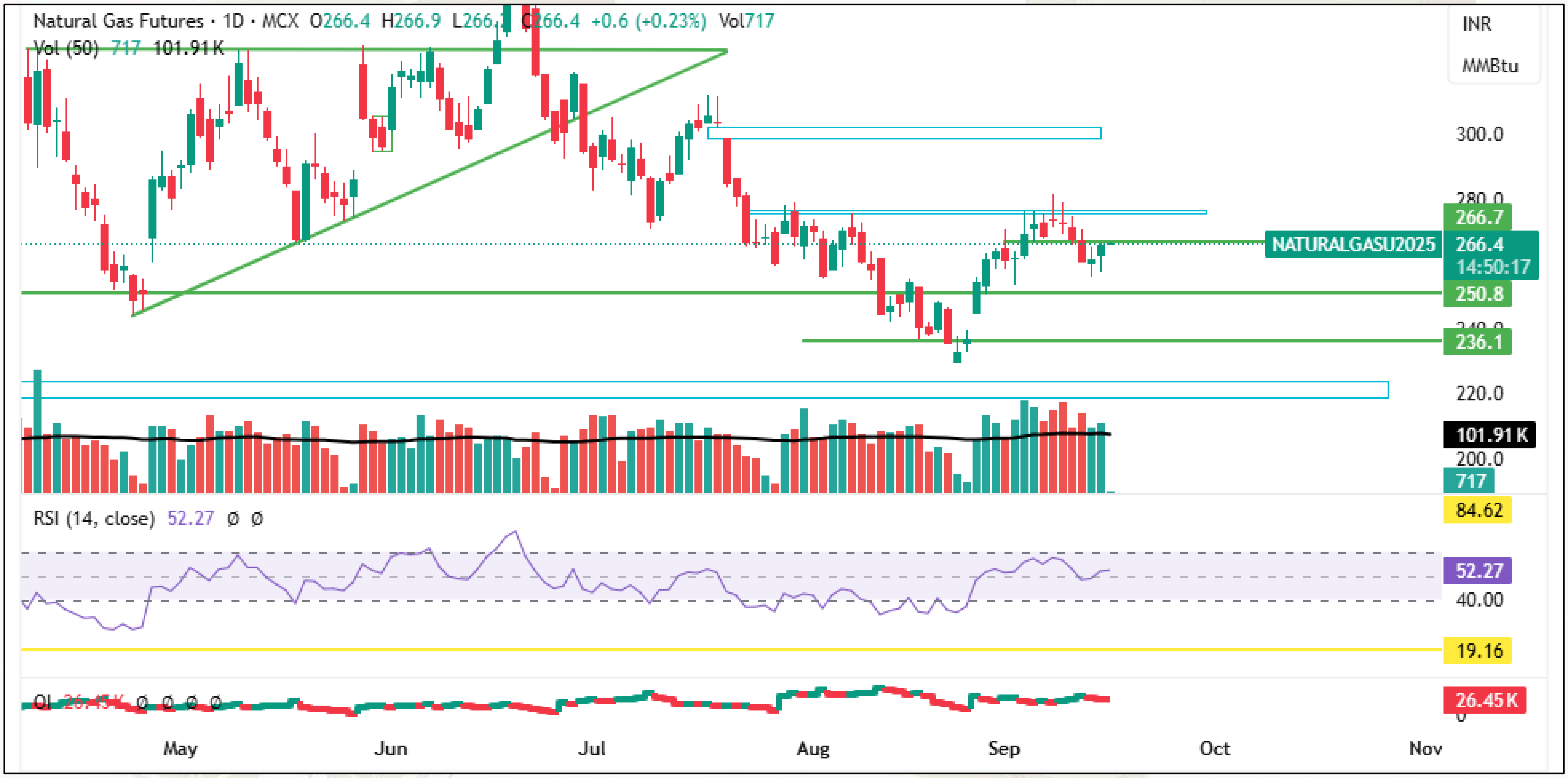
- Crude Oil prices rose on Monday, extending last week's gains, as traders monitored the risk of supply disruptions from Russia after Ukraine launched drone attacks on Moscow's energy infrastructure.

- Additionally, focus remained on Western diplomatic efforts to push Moscow toward ending its war with Ukraine, though peace negotiations appear stalled. The geopolitical risk premium supported buying interest in early-week trade.

Technical Overview

- **CRUDE OIL**: Technically, crude oil prices gained slightly and remained range-bound yesterday. It has formed a bullish inverse hammer candle at the recent lows. While, the prices are remaining below 50, 100 and 200-day SMA and momentum indicators are bearish, indicating a range-bound session in today's session. Crude oil has resistance at 5700 and support at 5400.

Natural Gas Insight



Natural gas News

- Natural Gas prices may see support as weather forecasts point to hotter-than-normal conditions through September 27.
- The elevated temperatures are expected to drive stronger electricity demand, prompting higher gas consumption by power generators to run air conditioners.
- This seasonal cooling demand could tighten balances slightly and limit downside price pressure in the near term.

Technical Overview

- **NATURAL GAS** : Technically, natural gas prices have formed a bullish hammer candle after dogi candle at the recent lows. However, prices are trading below 50, 100 and 200-day SMA while momentum indicators are bearish on the daily chart indicating a sideways trend in today's session. Natural gas has resistance at 280 and support at 254.

Base Metal Insight

Base Metal News

- The overall sentiment is bullish. Domestically, NBS data showed that industrial output in August increased 5.2% YoY and 0.37% MoM, with a 6.2% YoY increase for January-August, supporting aluminum demand. Spokesperson Fu Linghui also noted that the economy in August was stable and high-quality development advanced, boosting market confidence in aluminum demand, driving prices from the demand side.

- On Monday, Trump called on Fed Chairman Powell to cut interest rates by a "bigger margin" and mentioned the real estate market. According to CME's FeWatch tool, traders have fully priced in a 25-basis-point rate cut at the FOMC meeting on September 16-17, with a 5% probability of a 50-basis-point cut, providing supportive conditions for aluminum prices.

Technical Overview

- **Copper:** prices remained up yesterday and trading above the crucial support levels on the daily chart. The volume on the daily chart is remaining high and the 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 940 and support at 900.

- **Zinc:** prices recovered after a sharp correction yesterday and traded near the recent highs with strong 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 an upside trend in today's session. Zinc has support at 278 and resistance at 286.

- **Aluminium:** prices remained down and formed a long-lagged dogi candle at the recent highs on the daily chart. However, prices have given a break-out from long consolidation phase on the daily chart and a bounce in the prices from demand zone with strong volume signals further upside rally for the upcoming days. The MACD has given a bullish crossover and RSI is at 65, indicating an uptrend in today's session. Aluminium has support at 255 and resistance at 264.

Forex Insight

<u>Dollar Index News</u>

- The dollar index weakened to near a one-week low as markets positioned for a widely expected Fed rate cut this week and Donald Trump renewed pressure on the central bank for deeper easing. The DXY fell 0.4% to 97.27, with the greenback slipping against the yen and euro, as traders anticipate dovish commentary from Jerome Powell and policymakers alongside updated economic projections.

- Markets currently price a 97% chance of a 25-basis-point cut this week and nearly 60 bps of total easing by December, contrasting with expectations of just 14 bps of cumulative cuts by the European Central Bank through 2026. This growing policy divergence has pressured the dollar, keeping the index under selling pressure ahead of the key Fed decision.

<u>Technical Overview</u>

- **DOLLAR INDEX :-** Technically, DXY boke the rising trending line and continuing its lower low and lower high formation next support is placed at 97 $ and resistance 98.15 $

Forex Insight

USDINR News

- The Indian rupee recovered slightly on Monday after recently touching an all-time low, supported by a softer dollar index, firm Federal Reserve rate cut expectations, and likely Reserve Bank of India intervention in the offshore NDF market. USD/INR September futures closed at 88.23, up 9 paise from the previous 88.32, though gains remained capped by persistent importer dollar demand, ongoing foreign outflows, and elevated crude prices.

- The rupee's upside was also tempered by concerns over India's widening trade imbalance, with August exports slipping to a nine-month low amid punitive U.S. tariffs, even as imports slowed and the trade deficit narrowed to $26.49 billion. Markets are eyeing upcoming trade talks between India and the United States this week, which could influence sentiment, while the rupee continues to be one of Asia's weakest currencies this year due to tariff-driven pressure and sustained dollar demand.

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

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Script	Highest traded Strike Price (CE)	Highest traded Strike Price (PE)	PCR
GOLD	110000	109000	2.16
SILVER	130000	128000	1.29
CRUDE OIL	5600	5500	0.84
NATURAL GAS	260	260	0.80
GOLD MINI	109000	109000	2.03
SILVER MINI	128000	130000	1.39

Highest Traded Commodity	GOLD

Lowest Traded Commodity	CARDAMOM

Script	Price	Price Change	OI Change%	Buildup
GOLD	110179	0.74 %	-2.44	Short unwinding
SILVER	129429	0.46 %	-2.62	Short unwinding
CRUDE OIL	5587	1.10 %	-34.05	Short unwinding
NATURAL GAS	265.8	1.68 %	-5.41	Short unwinding
COPPER	920.95	0.78 %	-13.42	Short unwinding
ZINC	283	1.11 %	-6.35	Short unwinding
ALUMINIUM	260.10	-0.40 %	-9.07	Long unwinding

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