18-06-2026

Bonanza

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

Gold News

- Gold prices retreated from a more than two-week high on Wednesday, with spot gold declining nearly 1% after the U.S. Federal Reserve left interest rates unchanged but signaled the possibility of tighter monetary policy later this year. The Fed's hawkish stance strengthened the U.S. dollar and triggered broad-based selling in precious metals during the latter part of the trading session. Traditionally regarded as a safe-haven asset during periods of geopolitical uncertainty and inflationary pressure, gold tends to lose attractiveness when interest rates rise, as higher yields increase the opportunity cost of holding non-interest-bearing assets.

- The U.S. Dollar Index advanced following the Fed's policy announcement, making dollar-denominated commodities more expensive for holders of other currencies and weighing on international demand for gold. Updated projections from the Federal Reserve showed that nine of the nineteen policymakers now expect at least one interest rate increase before year-end, reflecting growing concerns about persistent inflationary pressures. Additionally, newly appointed Federal Reserve Chair Kevin Warsh announced the formation of five task forces aimed at reviewing key aspects of central bank operations, signaling a potential shift in the policy framework moving forward. Market expectations have also turned increasingly hawkish, with traders now pricing in a 78% probability of at least one 25-basis-point rate hike this year, up sharply from 60% a week ago according to the CME FedWatch Tool. The combination of rising rate expectations, a stronger dollar, and reduced demand for defensive assets placed considerable pressure on gold prices despite lingering geopolitical risks

Technical Overview

- **GOLD :** Technically, MCX Gold (5th August contract) is witnessing a short-term downtrend as prices continue to sustain below the 20, 50, and 100-day SMAs, further confirmed by a swing-low breakdown accompanied by increased trading volumes recorded a few sessions ago. The recent pullback in prices is being viewed as a technical correction, and the metal is expected to resume its decline towards the 140,000–138,000 range as long as resistance levels at 154,000, 156,500, and 158,500 remain intact. However, the 200-day SMA is likely to provide strong support on the downside. RSI is hovering near the 48 mark with a downward slope, indicating further downside potential in the counter. Meanwhile, the MACD is approaching the zero line with a green histogram, suggesting that every dip could attract fresh buying interest from long-term participants.

Silver Insight

Silver News

- Silver prices extended losses on Wednesday, falling more than 1.1% as investors reacted to the Federal Reserve's relatively hawkish policy outlook. While the central bank maintained its benchmark interest rate within the 3.50%-3.75% range, policymakers signaled that additional tightening may still be required later this year. The resulting strength in the U.S. dollar and rise in Treasury yields prompted profit-booking across the precious metals complex, with silver underperforming during the session.

- Unlike gold, silver carries a dual role as both a precious and industrial metal, making it sensitive not only to monetary policy developments but also to broader economic growth expectations. The prospect of higher borrowing costs could potentially slow industrial activity and manufacturing demand, creating additional headwinds for silver consumption. Furthermore, a stronger dollar reduced the purchasing power of international buyers, adding pressure to prices.

- Despite the recent correction, silver continues to receive underlying support from long-term industrial demand linked to renewable energy, solar panel manufacturing, and electrification trends. However, in the near term, market direction is likely to remain heavily influenced by Federal Reserve policy expectations, movements in the U.S. dollar, and evolving geopolitical developments. Traders will closely monitor upcoming U.S. economic data for further clues regarding the future path of interest rates and their impact on silver demand.

Technical Overview

- **SILVER:** Silver witnessed a volatile trading session after a flat opening eventually formed a **Small body candle** near the crucial support level of **250,000**, indicating indecision between buyers and sellers. The formation of a small body candle around support suggests that the ongoing selling pressure may be stabilizing. Immediate resistance is placed at **262,000**, while sustained trading below support could revive bearish momentum in the near term.

Crude Oil Insight

Crude oil News

- Crude oil prices recovered from a three-month low on Wednesday, with Brent crude gaining nearly 0.75% and WTI crude advancing around 1%. The rebound was driven by renewed geopolitical uncertainty after U.S. President Donald Trump stated that the recently announced ceasefire framework with Iran was not yet finalized and warned that military action could resume if negotiations failed to meet U.S. expectations. These comments reignited concerns about potential supply disruptions in the Middle East and provided support to oil prices.

- Although both the United States and Iran had previously indicated progress toward ending hostilities and reopening the strategically important Strait of Hormuz, fresh military activity in the region continued to fuel uncertainty. Reports of Israeli airstrikes and artillery operations in southern Lebanon, along with drone attacks launched by Hezbollah, underscored the fragile nature of the ceasefire efforts. As a result, market participants remained cautious regarding the outlook for global energy supplies.

- On the supply side, the U.S. Energy Information Administration reported a tenth consecutive weekly decline in U.S. crude inventories, driven by strong demand and ongoing disruptions linked to regional tensions. Total U.S. crude stockpiles have now fallen to their lowest level since 1985, highlighting tightening near-term supply conditions. According to estimates from the International Energy Agency, more than 14 million barrels per day of oil production remain offline, representing approximately 14% of global demand. Industry experts suggest that restoring production and refining capacity to pre-conflict levels could take several weeks, months, or even years, providing an underlying bullish backdrop for oil markets despite concerns over potential oversupply in 2027.

Technical Overview

- **CRUDE OIL**: Technically, MCX Crude Oil futures are displaying a double-top pattern, while bearish candlestick formations over the previous two sessions indicate further downside potential in the short term. Prices are already trading below the 20-day SMA, and any sustained move below the psychological support level of 7,000 could drag prices towards the 6,800–6,750 zone. On the higher side, prices need to sustain above the resistance band of 8,800–9,100 to trigger the next leg of the rally. RSI is placed near the 33 mark with a downward slope, indicating continued weakness in momentum, while the MACD remains below the zero line, further supporting the bearish outlook.

Natural Gas Insight

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Natural gas News

- Natural gas futures witnessed sharp selling pressure on Wednesday, declining significantly amid increased trading volumes as traders engaged in profit-booking and long liquidation following an easing of geopolitical tensions. The recent de-escalation in Middle East risks reduced immediate concerns regarding potential supply disruptions, prompting market participants to lock in gains after the strong rally seen in previous sessions.

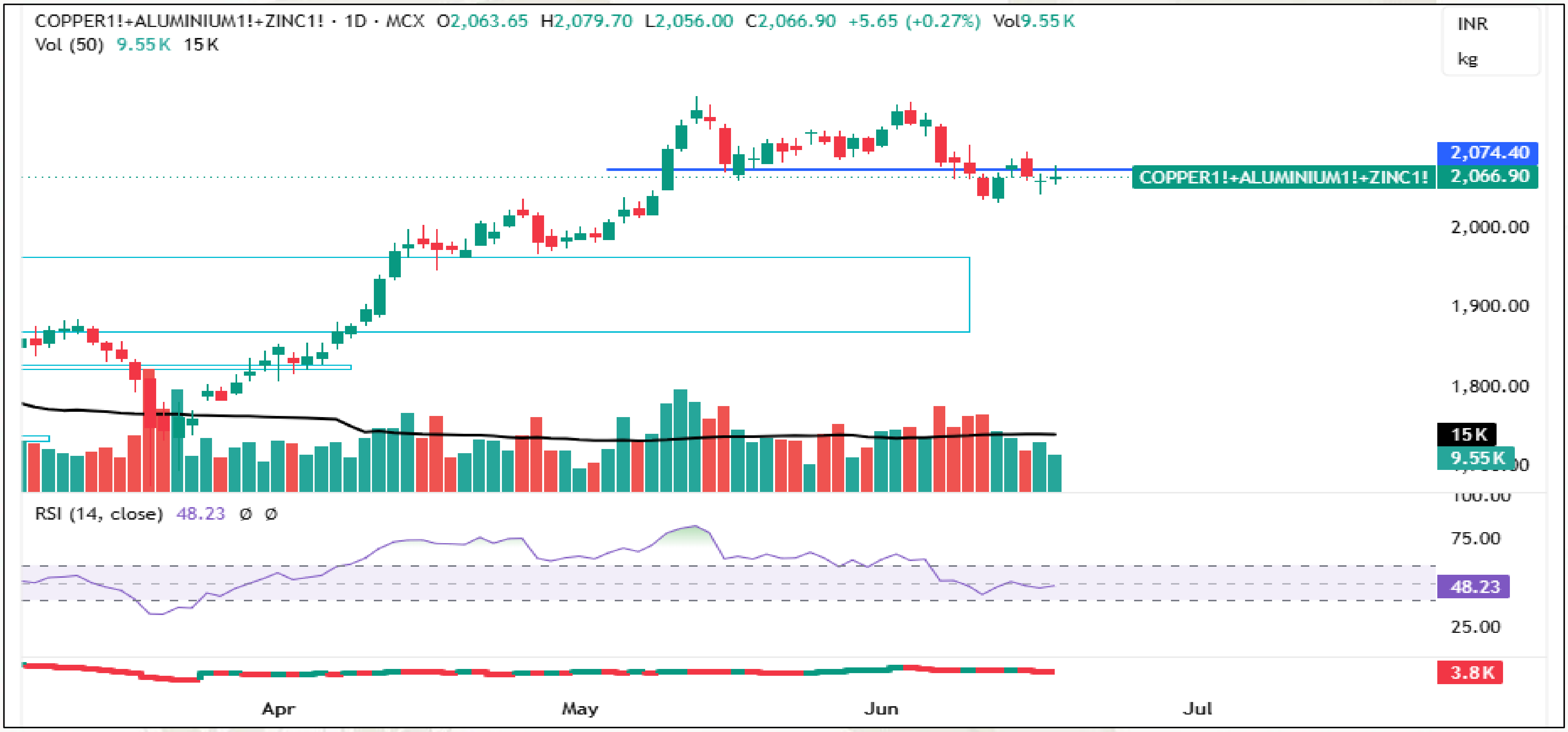
- From a technical perspective, the broader short-term uptrend remains intact, as prices continue to hold above key demand zones established during the recent recovery phase. However, the market remains trapped within a broader sideways trading range that has dominated price action over the past several weeks. Natural gas continues to experience frequent swings as competing fundamental factors offset one another.

- On one hand, ongoing geopolitical uncertainty and concerns over possible supply disruptions continue to provide support during price declines. On the other hand, forecasts for relatively mild temperatures across major U.S. consumption regions are limiting cooling demand, while near-record domestic production levels continue to ensure ample supply availability. These factors have repeatedly capped upside momentum during rallies. As a result, natural gas prices are expected to remain range-bound in the near term, with the broader trading band between 265 and 325 continuing to serve as the primary reference zone for market participants.

Technical Overview

- **NATURAL GAS** : Technically, Natural Gas is trading in a sideways-to-positive trend. For the next leg of the upmove, prices need to sustain above the key swing-high resistance level of 325. A successful breakout could push prices towards the 345–350 zone, provided support at 295–285 remains intact. Immediate resistance is seen in the 325–330 range. RSI is hovering around the 51 mark with a flat slope, indicating a positive bias, while the MACD remains above the zero line, suggesting that every decline is likely to be viewed as an accumulation opportunity.

Base Metal Insight



Base Metal News

- Copper and other base metals ended the session largely unchanged as support from potential U.S. tariff measures was offset by uncertainty surrounding Middle East developments and broader macroeconomic concerns. Elevated energy prices resulting from geopolitical tensions have increased production costs and placed pressure on manufacturing activity, a key driver of industrial metal demand.
- At the same time, concerns regarding slowing global economic growth, a rebound in the U.S. dollar, and relatively high exchange inventories continued to weigh on sentiment across the base metals complex. Expectations that global interest rates may remain elevated for an extended period have further dampened demand prospects for industrial commodities. Consequently, base metals remain vulnerable to downside pressure until clearer signals emerge regarding global growth, monetary policy, and geopolitical stability.

Technical Overview

- **Copper:** Technically, Copper remains in an uptrend, and as long as support at 1,325–1,300 holds, prices are likely to test the 1,385–1,390 zone in the short term. However, prices trading below the 20-day SMA indicate some long unwinding at higher levels. RSI is positioned near the 51 mark with a flat slope, suggesting the possibility of profit booking at higher levels. Meanwhile, the MACD remains above the zero line with a rising histogram, indicating that the overall bullish momentum remains intact and further upside cannot be ruled out.

- **Zinc** : Technically, Zinc gained after witnessing profit booking for two consecutive sessions but continues to trade close to the all-time high recorded a few days ago. Short-term pressure remains visible, with prices hovering around the 20-day SMA. A sustained break below the support level of 360 could lead to further downside towards the 350 zone, as long as resistance at 372 remains intact. RSI is near the 57 mark with a downward slope, indicating ongoing profit booking, while the MACD remains above the zero line with an expanding histogram, suggesting that buying interest is likely to emerge on every dip.

- **Aluminum :** Technically, Aluminium ended nearly flat with a bearish candlestick formation on higher volumes in the previous session. The narrow trading range suggests further downside potential towards the support zone of 348–325 as long as resistance at 380 remains intact. RSI is hovering near the 33 mark with a downward slope, indicating continued long unwinding and weakness in momentum. However, the MACD remains comfortably above the zero line, suggesting that buying support could emerge on declines.

- **Nickel** : Nickel, after initially taking support near the 1,800 level, has now broken below this support zone. Following a retest of the breakdown level, prices have resumed their downward trajectory, indicating persistent selling pressure. Immediate resistance is placed at 1,850, while support is seen near 1,710. Sustained trading below support levels could lead to further weakness in the near term.

- **Electricity Futures**: Electricity Futures have resumed their bullish momentum after taking support near the **4,370** level. The recovery from this support zone indicates that buyers remain active at lower levels. Immediate resistance is placed at **4,750**, and a sustained move above this level could trigger further upside momentum in the near term.

- **Bulldex**: The Bullion Index (Bulldex), after witnessing continuous selling pressure last week, has started to show signs of recovery this week after approaching the crucial **34,000** support zone. Immediate resistance is placed near **38,000**. A breakout above resistance could confirm a short-term trend reversal, while failure to hold support may revive bearish momentum.

Forex Insight

Dollar Index News

- **The US Dollar Index (DXY)** traded modestly softer overnight, hovering around **99.50–99.80 levels** (with recent closes near 99.50–100.00 showing small daily fluctuations of ~0.1–0.3%). The greenback faced reduced safe-haven demand following positive US-Iran peace deal and Hormuz reopening developments, which lowered inflation risks tied to energy prices and supported broader risk-on sentiment. Expectations of higher-for-longer interest rates amid sticky core inflation provided some floor, but the DXY has pulled back from recent peaks near 100 and remains sensitive to further de-escalation details and upcoming US data.

Technical Overview

- **DOLLAR INDEX :-** The **Dollar Index (DXY)** previously witnessed a strong bullish breakout from its trading range; however, the absence of follow-through buying has resulted in profit booking near the **100.50** resistance level. Immediate support is placed around **99.50**. Sustained trading above **100.50** could revive bullish momentum, whereas a break below support may lead to further downside consolidation in the near term.

USDINR News

- **USDINR showed marginal softness overnight and traded in the 94.80–95.40 zone (near recent levels around 95.00–95.20).** The rupee gained some ground on the weaker dollar backdrop and easing geopolitical risks, which helped moderate crude oil import cost pressures as global oil prices eased further on Hormuz reopening news. The **Reserve Bank of India (RBI)** has continued proactive management following its early June policy meeting (holding the repo rate at 5.25% while cutting GDP growth forecasts to 6.6% and raising inflation projections), with spot dollar sales through state-run banks when needed, selective NDF tightening, monitoring of large corporate dollar purchases, and supportive liquidity measures such as buy-sell swaps and incentives for foreign inflows. While the rupee weakened notably year-to-date amid the earlier oil supply shock, consistent interventions and the latest peace deal developments have aided a recovery from multi-week highs near or above 96. Domestic factors like foreign outflows and current account concerns persist, but the overall bias has turned more constructive. With no major domestic data overnight, USDINR is expected to open cautiously, closely tracking DXY movements, global risk sentiment, and any fresh confirmations on the Hormuz reopening and peace deal as Indian markets begin trading.

Technical Overview

- **USDINR :-** The Dollar Index (DXY), after witnessing a brief pullback in the previous session, rebounded strongly from the support zone around 99.50. The index has broken above its previous swing high and is currently trading near the key resistance level of 100.50. A sustained move above this level could strengthen bullish momentum further, while failure to break the resistance may result in some consolidation in the near term.

Derivative Insight

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Script	Highest traded Strike Price (CE)	Highest traded Strike Price (PE)	PCR
GOLD	155000	140000	0.78
SILVER	300000	200000	0.83
CRUDE OIL	7200	7000	0.75
NATURAL GAS	310	300	0.86
GOLD MINI	155000	150000	0.72
SILVER MINI	270000	240000	0.74

Highest Traded Commodity	GOLD

Lowest Traded Commodity	MENTHAOIL

Script	Price	Price Change	OI Change%	Buildup
GOLD	153879	0.51 %	0.46	Long Buildup
SILVER	251807	0.68 %	-2.02	Short Unwinding
CRUDE OIL	7212	0.52 %	-29.21	Short Unwinding
NATURAL GAS	297.3	-3.03 %	-21.37	Long Unwinding
COPPER	1338.15	0.04 %	-2.90	Short Unwinding
ZINC	370.10	1.06 %	-5.38	Short Unwinding
ALUMINIUM	358.65	0.34 %	3.65	Long Buildup

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