

20-05-2026

Bonanza

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING





Gold News

- ❑ Gold prices declined sharply on Tuesday, falling nearly 1.5% and touching a **2.5-month intraday low**, as strong macroeconomic headwinds continued to pressure bullion. The primary drivers were a firm U.S. dollar and a surge in global bond yields, with benchmark 10-year U.S. Treasury yields hovering near multi-year highs. Rising yields significantly increase the opportunity cost of holding non-yielding assets like gold, leading to sustained selling pressure.
- ❑ The U.S. dollar also strengthened notably, further weighing on gold by making it more expensive for holders of other currencies. Markets are increasingly pricing in a **hawkish shift in Federal Reserve policy**, driven by persistent inflation concerns fueled by elevated energy prices. As a result, expectations for rate cuts have been pushed further out, with many participants now anticipating little to no easing through most of 2026, and even the possibility of further tightening.
- ❑ Although gold traditionally acts as a hedge during geopolitical uncertainty and inflationary periods, the current environment of higher-for-longer interest rates has overshadowed its safe-haven appeal. The combination of elevated yields, strong dollar, and inflation-linked policy tightening continues to cap any meaningful upside in the near term.

Technical Overview

- ❑ **GOLD** : Technically, MCX Gold is witnessing a range-bound to short-term uptrend after decisively breaking out of its previous trading range a few days ago. A sustained move above 165,000 is likely to push prices towards the 169,000–170,000 resistance zone on the upside, as long as support holds at 155,000–152,500 on the downside. Prices trading above the 20-SMA indicate strong short-term momentum. The RSI is near the 61 mark with a flat slope, suggesting there is still room for upside, while the MACD remains above the zero line with a green histogram, indicating that dips are being bought and seen as accumulation opportunities.



Silver News

- ❑ Silver prices witnessed a sharper decline, dropping around 4.1% on Tuesday and underperforming gold due to its higher sensitivity to both macroeconomic and industrial factors. The rally in the dollar index and bond yields created significant downward pressure, while persistent inflation concerns reduced expectations of supportive monetary policy.
- ❑ In addition to safe-haven dynamics, silver's industrial demand component also came under pressure as tighter financial conditions and slowing global growth expectations weighed on sentiment. The metal's inability to sustain above key levels reflects weak momentum following recent volatility.
- ❑ Going forward, silver is likely to remain more volatile than gold, with price movements influenced by shifts in interest rate expectations, dollar strength, and global industrial demand outlook.

Technical Overview

- ❑ **SILVER:** Silver, after a recovery on Monday, once again witnessed selling pressure from the 280,000 resistance level in the previous session. Immediate support is placed at 260,000.



Crude oil News

- ❑ Crude oil prices ended lower in volatile trading on Tuesday, with both Brent and WTI declining around 0.75%, as markets reacted to signs of progress in U.S.–Iran negotiations. Comments from the U.S. Vice President suggesting that both sides are keen to avoid renewed military conflict eased supply concerns, leading to profit booking after earlier gains.
- ❑ Additionally, the U.S. President’s decision to hold off on a planned military strike further reduced geopolitical risk premiums in oil prices. However, uncertainty remains elevated as negotiations continue, with the U.S. maintaining a firm stance by imposing new sanctions on Iranian financial networks and blocking vessels involved in petroleum shipments.
- ❑ On the supply side, U.S. data showed a significant drawdown of **9.9 million barrels from the Strategic Petroleum Reserve**, bringing stockpiles to their lowest level since July 2024. This highlights underlying tightness in supply despite short-term easing of geopolitical tensions.
- ❑ Overall, crude oil remains highly sensitive to developments in diplomatic talks, with prices balancing between easing conflict risks and structurally tight supply conditions.

Technical Overview

- ❑ **CRUDE OIL:** Technically, crude oil in the domestic futures market continues to remain in an uptrend despite a single-session correction and ongoing volatility. Prices are trading above the short-term 20-SMA as well as the medium-term 50 and 100 SMA, indicating underlying strength. If the rally sustains, prices are likely to test the 10,550–11,000 range in the short term, as long as downside support at 9,100–8,800–8,300 holds. The RSI is near the 58 mark with a flat slope, suggesting some scope for profit booking at higher levels, while the MACD remains well above the zero line, indicating buying interest on dips.



Natural gas News

- ❑ Natural gas futures extended their rally for the fifth consecutive session on Tuesday, supported by supply disruption concerns and technical buying interest. The continued upward movement reflects improving short-term sentiment, particularly as geopolitical tensions in the Middle East raise concerns over potential supply constraints.
- ❑ However, despite the ongoing rally, the broader trend remains **range-bound**, with prices continuing to oscillate within a defined band. On one hand, supply-side risks provide support at lower levels. On the other hand, **mild weather forecasts in the U.S.** are limiting demand, while near-record production levels and ample domestic supply continue to cap upside potential.
- ❑ As a result, natural gas prices are still trading within the broad range of **235 – 300**, and a sustained breakout will require either stronger demand signals or significant supply disruptions.

Technical Overview

- ❑ **NATURAL GAS** : Technically, natural gas is in a sideways-to-uptrend after breaking above the swing high of 282 a few days ago. If the rally sustains, prices are likely to test the 307–320 range in the short term, as long as support holds at 281–277–268 on the downside, while resistance is seen in the 308–322 zone. The RSI is near the 65 mark with an upward slope, indicating further upside potential, and the MACD remains above the zero line, suggesting that dips are being used as buying opportunities.



Base Metal News

- ❑ Copper and base metals ended largely flat, holding near recent highs tested in the previous sessions, supported by optimism around demand recovery and improved risk sentiment in global markets. Expectations of easing geopolitical tensions have also contributed to stability in prices. However, the broader outlook remains mixed. Concerns over slowing global economic activity, particularly in major consuming economies, along with rising inventories and a stronger dollar, continue to act as headwinds. Additionally, expectations of prolonged higher interest rates globally are limiting aggressive upside in industrial metals.

Technical Overview

- ❑ **Copper:** Technically, copper remains in an uptrend, and as long as support at 1,325–1,305–1,275 holds, prices are likely to test the 1,410–1,415 range in the short term. Prices are trading above the 20-SMA, indicating short-term strength. The RSI is near 60 with a flat slope, suggesting some profit booking may emerge at higher levels, while the MACD remains above the zero line with a rising histogram, indicating continued upside potential.
- ❑ **Zinc:** Zinc continues to trade in an uptrend and is likely to test the recent high in the 365–375 range, provided support at 340–335 holds. The RSI is near the 74 mark with an upward slope, indicating strong momentum, although some long unwinding may occur at higher levels. The MACD remains above the zero line with an increasing histogram, suggesting continued buying on dips.
- ❑ **Aluminum:** Aluminium continues to remain in an uptrend despite earlier corrections and is approaching domestic futures exchange all-time highs in the 385–390 range. As long as support at 365–350–345 holds, prices are likely to move higher. A sustained move above 380 could further extend the rally towards the 385–390 zone. The RSI is near the 64 mark with a flat slope, indicating some scope for long unwinding, while the MACD remains well above the zero line, suggesting continued buying support on dips.
- ❑ **Nickel:** Nickel is currently trading near the resistance level of 1,900 and is witnessing some selling pressure. Immediate support is placed at 1,800. Prices are in a pullback phase, but a decisive breakout above 1,900 could trigger a strong bullish move in the near term.
- ❑ **Electricity Futures:** Electricity futures are currently hovering near the key support zone of 4,500, which has consistently acted as a strong base. Immediate resistance is placed at 4,800, and a breakout above this level could extend the rally towards the 5,300 mark.
- ❑ **Bulldex:** Bullion Index (Bulldex) has eroded the gains of last week's bullish move and is now showing signs of weakness. Immediate support is placed at 38,000, while resistance is seen at 40,000.



Dollar Index News

- ❑ **The US Dollar Index (DXY)** traded modestly firmer to stable overnight, hovering around **99.00–99.40 levels** (recently closing near 99.26–99.40 with small daily moves of ~0.1–0.4%). The greenback found support from lingering safe-haven demand tied to unresolved Hormuz tensions and Middle East uncertainties, alongside expectations of higher-for-longer US interest rates amid sticky inflation risks linked to elevated energy prices. While the DXY has softened modestly from earlier 2026 peaks, it rebounds quickly on geopolitical flares and continues to exert pressure on dollar-denominated commodities like base metals whenever it strengthens.

Technical Overview

- ❑ **DOLLAR INDEX :-** The Dollar Index (DXY), after giving a breakout from a symmetrical triangle pattern, is currently facing resistance near the 99.4 level, while immediate support is placed at 98.



USDINR News

- ❑ **USDINR showed marginal firmness overnight and traded in the 96.00–96.50 zone (near recent multi-week highs around 96.30–96.68 levels).** The rupee faced 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 (cumulative net sales already exceeding prior year levels), selective tightening of NDF regulations, monitoring of large corporate dollar purchases, and other tools to prevent disorderly weakness. 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 such as 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 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 headlines as Indian markets begin trading. The rupee has seen notable year-to-date weakening amid the ongoing oil 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 96.5 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	0.88
SILVER	300000	250000	0.76
CRUDE OIL	10000	10000	1.64
NATURAL GAS	300	290	1.58
GOLD MINI	160000	155000	1.00
SILVER MINI	300000	250000	0.75

Highest Traded Commodity	GOLD	Lowest Traded Commodity	MENTHAOIL
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Script	Price	Price Change	OI Change%	Buildup
GOLD	159080	-0.20 %	-6.35	Long unwinding
SILVER	270119	-2.36 %	5.32	SHORT buildup
CRUDE OIL	10027	-2.87 %	167.26	SHORT buildup
NATURAL GAS	299.4	2.36 %	6.52	Long buildup
COPPER	1337.55	-0.79 %	-0.86	Long unwinding
ZINC	366.30	0.31 %	-3.69	SHORT unwinding
ALUMINIUM	384.40	0.84 %	0.00	SHORT unwinding



Commodity Morning Update



Bonanza

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