20-08-2026

Bonanza

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

Gold News

- Gold prices surged on Wednesday, with **spot gold rallying 3.6% to its highest level since June 4**, reversing early losses after the U.S. Treasury unexpectedly announced additional liquidity support measures. The move pushed both the U.S. dollar and Treasury yields lower, boosting demand for precious metals. Gold also received strong technical support after breaking above its **100-day moving average near $4,381**, triggering fresh momentum buying. Traditionally regarded as a safe-haven asset during periods of geopolitical uncertainty and inflation, gold continues to attract investors, although elevated interest rates remain a headwind for non-yielding assets. Minutes from the Federal Reserve's July meeting revealed that inflation concerns remain widespread, with several policymakers favoring an immediate rate hike and many indicating that further tightening may be necessary if inflation fails to return to the Fed's 2% target. Policymakers warned that delaying action could ultimately require even more aggressive tightening in the future. According to the CME FedWatch Tool, markets are currently pricing in around a **35% probability of a September rate hike** and a **70% chance of a rate increase by December**.

Technical Overview

- **Gold:** Technically, MCX Gold (5th October contract) remains in a strong uptrend, with a breakout above the recent swing high already confirmed on higher trading volumes, indicating that bulls remain firmly in control. Prices continue to trade above the short-term 20-day SMA as well as the medium-term 50-day and 100-day SMAs, highlighting the underlying strength in the trend. For the medium term, prices are expected to move towards the **₹1,60,000–₹1,60,500** zone, as long as the support levels at **₹1,52,500** and **₹1,51,800** remain intact. On the momentum front, the RSI is hovering near the **70** mark with an upward slope, indicating further upside potential. Meanwhile, the MACD remains above the zero line with a long green histogram, suggesting sustained bullish momentum.

Silver Insight

Silver News

- Silver posted another strong session on Wednesday, climbing **nearly 4%**, supported by a weaker U.S. dollar, falling Treasury yields, and renewed technical buying across the precious metals complex. The surprise liquidity support measures announced by the U.S. Treasury improved market sentiment and increased the appeal of precious metals by easing financial conditions. Silver also benefited from a broader technical breakout, with investors adding fresh long positions after key resistance levels were breached. Despite the rally, traders remain focused on the Federal Reserve's policy outlook after the latest meeting minutes highlighted persistent inflation concerns and the possibility of additional interest rate hikes if price pressures fail to moderate. Going forward, silver is expected to remain highly sensitive to movements in the U.S. dollar, Treasury yields, inflation expectations, and developments in the Middle East, where geopolitical tensions continue to support safe-haven demand.

Technical Overview

- **Silver:** Silver witnessed a strong bullish move after successfully testing the **₹2,30,000** support zone, forming a bullish engulfing candlestick accompanied by higher trading volumes. This indicates renewed buying interest in the counter. Immediate support is placed at **₹2,31,000**, while the next key resistance is seen at **₹2,41,000**.

Crude Oil Insight

Crude oil News

- Crude oil prices extended their gains for a second consecutive session on Wednesday, with **Brent crude rising 0.7%** and **WTI gaining 1.1%**, as escalating geopolitical tensions in the Middle East continued to fuel supply concerns. Prices remained close to a four-week high after the **United Arab Emirates suspended all financial and economic transactions with Iran**, while uncertainty persisted over shipping through the Strait of Hormuz. Although U.S. President Donald Trump stated that no negotiations were taking place with Iran and claimed the waterway remained open, Iranian officials insisted that the Strait of Hormuz remained closed. Reports also suggested that the temporary ceasefire had expired and diplomatic efforts had reached an impasse, with the Financial Times reporting that Iran was considering military targets in Europe if the conflict escalates further. Limiting gains, however, the U.S. Energy Information Administration reported a **4.4 million-barrel increase in crude inventories** to **428.8 million barrels**, while refinery utilization rose to **97.2%**, indicating healthy refining activity. The **Strait of Hormuz and Bab el-Mandeb** continue to handle nearly **one-quarter of global oil shipments**, and Saudi Aramco estimates that the world has lost more than **2.6 billion barrels of oil supply** since the Iran conflict began, keeping geopolitical risk firmly embedded in oil prices.

Technical Overview

- **Crude Oil:** Technically, MCX Crude Oil remains in a downtrend, with the swing low breakdown witnessed last week indicating underlying weakness in the counter. However, prices are currently trading around the short-term 20-day SMA and near the recent swing high, suggesting that a potential trend reversal could be on the cards. As long as the resistance at **₹8,250** holds, prices are expected to move towards the **₹6,700–₹6,400** zone. On the upside, prices need to sustain above the resistance levels of **₹8,300, ₹8,500, and ₹9,300** to confirm the next bullish rally. The RSI is hovering near the **57** mark with a flat slope, indicating mixed momentum, while the MACD is approaching the zero line, suggesting that downside pressure still persists.

Natural Gas Insight

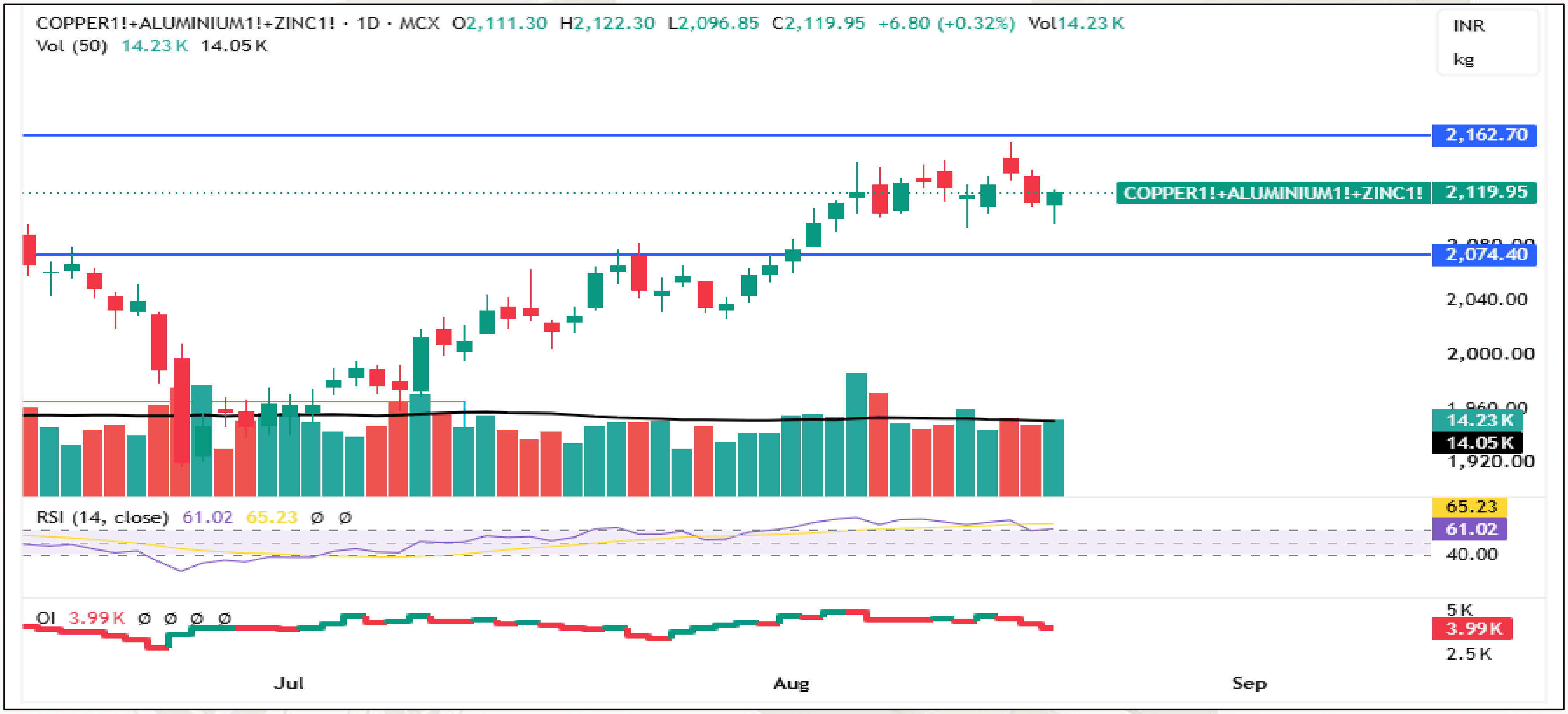
Natural gas News

- Natural gas futures ended higher on Wednesday, supported by **lower-level buying and a technical breakout** after the recent correction. Despite the rebound, the broader market outlook remains cautious as abundant domestic production, higher-than-expected storage levels, and expectations of softer cooling demand continue to weigh on prices. These bearish fundamentals have maintained the prevailing downward trend, although the recent technical breakout has encouraged some short-term buying interest. Looking ahead, weather conditions remain the key catalyst for price direction. Any period of extreme heat could significantly increase electricity demand for air conditioning, boosting natural gas consumption and providing additional support to prices. Furthermore, robust LNG export demand continues to underpin the market, helping to limit downside pressure. Until stronger demand fundamentals emerge or supply conditions tighten meaningfully, natural gas is expected to trade with a cautious bias despite intermittent recovery rallies.

Technical Overview

- **Natural Gas:** Technically, MCX Natural Gas remains in a downtrend and is expected to move towards the **₹250–₹240** zone as long as the **₹275** resistance level remains intact. For the next meaningful upside move, prices need to sustain above the **₹275–₹290** resistance zone. A successful breakout could trigger a rally towards the **₹320–₹325** zone, with an extended target of **₹345–₹350**. Immediate resistance is seen in the **₹272–₹278** range. The RSI is hovering near the **50** mark with an upward slope, indicating improving momentum. However, the MACD remains below the zero line, suggesting that every short-term rally is likely to attract fresh selling interest.

Base Metal Insight



Base Metal News

- **Copper & base metals gain marginally from support level, as overall trend seen bullish on supply concern, falling warehouse stocks and** demand continues to rise as AI infrastructure, data centers, power grids, and semiconductor manufacturing require large amounts of the metal.

Technical Overview

- **Copper:** Technically, MCX Copper remains in an uptrend. As long as the support levels at **₹1,350** and **₹1,340** hold, prices are expected to move towards the **₹1,400–₹1,415** range in the short term. Prices continue to trade above the 20-day SMA, indicating sustained bullish momentum. The RSI is positioned near **61** with a downward slope, indicating some near-term weakness. However, the MACD remains above the zero line with an expanding histogram, suggesting that the broader upside momentum remains intact.

- **Zinc:** MCX Zinc ended higher near its all-time high, supported by strong underlying fundamentals. The prevailing uptrend and sustained trading above the short-term 20-day SMA indicate that bulls remain in control. A sustained breakout above the **₹398–₹400** zone could trigger a fresh sharp rally, provided the support levels at **₹385** and **₹375** remain intact. The RSI is hovering near the **65** mark with an upward slope, indicating continued bullish momentum, while the MACD remains above the zero line with an expanding histogram, suggesting buying interest on every dip.

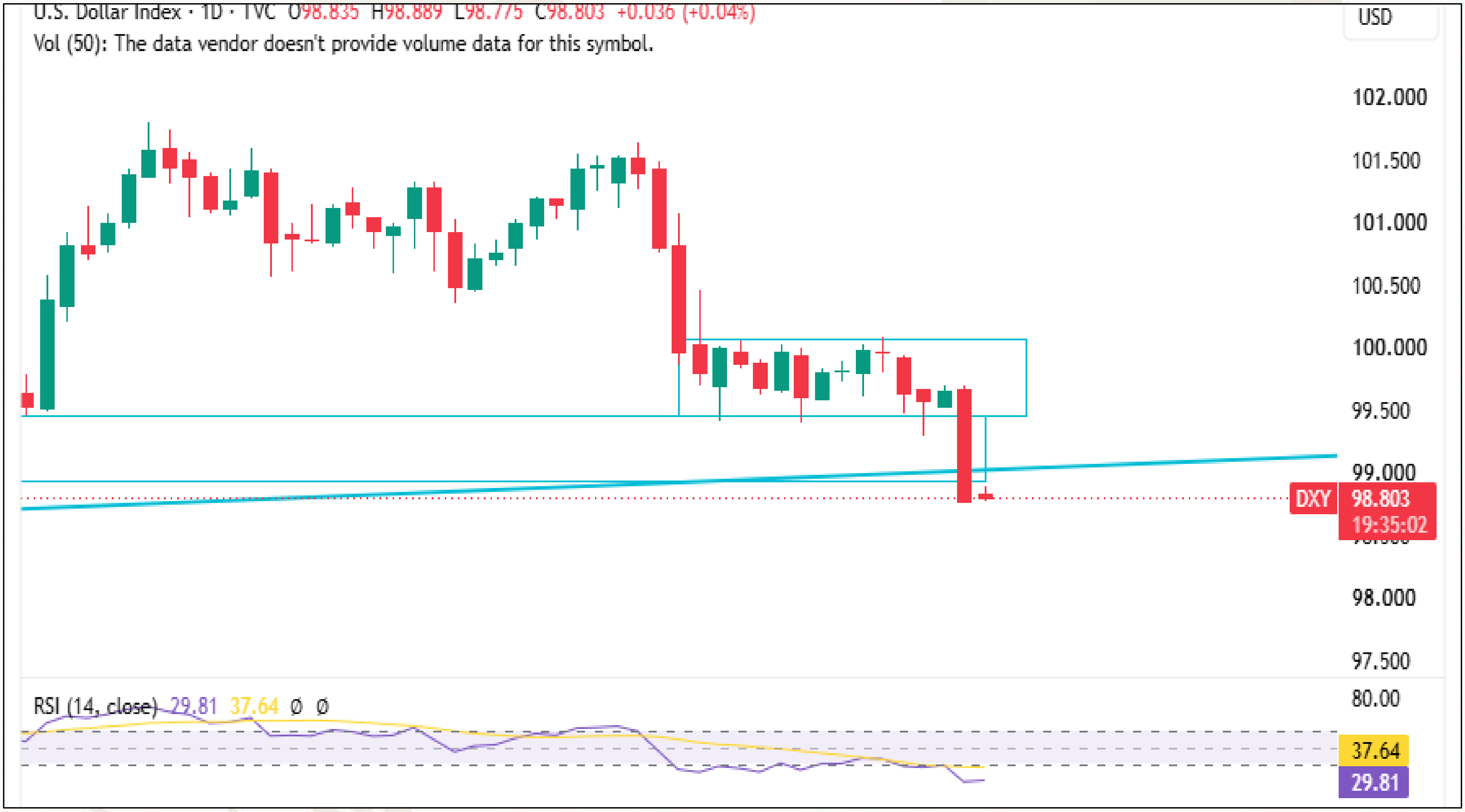
- **Aluminium:** MCX Aluminium ended higher and remained close to the multi-week high recorded a few days ago. The swing breakout on the daily chart continues to indicate strong bullish momentum. Prices are expected to move towards the **₹365–₹375** zone as long as the support levels at **₹345** and **₹340** remain intact. The RSI is hovering near the **51** mark with an upward slope, indicating scope for further gains. However, the MACD remains below the zero line, suggesting that selling pressure may emerge on every rally.

- **Nickel:** Nickel, after giving a breakdown from its trading range on Friday, opened with a gap-down yesterday and closed near the **₹1,620** level, which previously acted as a strong support zone. If prices fail to reclaim and sustain above **₹1,620**, it could open the door for further downside, reinforcing the prevailing bearish sentiment.

- **Electricity Futures:** Electricity futures started on a weaker note, breaking below the crucial **₹4500** support level, indicating renewed selling pressure. The next major support is placed near **₹4,300**, while immediate resistance is seen at **₹4,800**.

- **Bullion Index (Bulldex):** BullDex continues its bullish rally after forming a strong base near the **33,000** level. The immediate resistance is placed at **38,000**, while support is seen around **34,000**, keeping the overall trend positive as long as the support level remains intact.

Forex Insight



Dollar Index News

- **The US Dollar Index (DXY)** weakened notably overnight, falling toward **98.75–98.85 levels**. The greenback dropped sharply from the prior day's higher range, pressured by shifting rate expectations and broader market moves, which provided some offsetting support for commodities despite the metals' inventory-driven correction.

Technical Overview

- **DXY:** The **U.S. Dollar Index (DXY)** has broken below its recent trading range and slipped beneath the crucial **99.00** support level, indicating a bearish breakout. As long as the index remains below **99.50**, weakness is likely to persist, with the next major support placed near **98.30**. Immediate resistance is now seen at **99.50**, and a sustained move back above this level would be required to negate the current bearish bias.

USDINR News

- **USDINR closed mildly weaker around the 95.75–95.76 zone.** The rupee faced pressure from elevated crude oil prices (Brent moving higher on Hormuz uncertainty), softer domestic equities, and cautious risk sentiment. RBI intervention and some foreign inflows helped limit deeper losses, keeping the pair in a relatively narrow range. Importer demand and oil-linked concerns remained key headwinds, while the softer DXY offered partial relief. Markets continue to watch oil price volatility, FII flows, and any further central bank presence for direction.

Technical Overview

- **USDINR :-** Technically, day trend may remain **bearish** in USDINR after approaching an important support zone of 95 level the next support level is placed at 94.6 level and resistance at 96 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	165000	150000	1.49
SILVER	240000	220000	0.67
CRUDE OIL	8200	8000	1.67
NATURAL GAS	270	270	0.85
GOLD MINI	160000	153000	1.67
SILVER MINI	250000	230000	0.96

Highest Traded Commodity	GOLD	Lowest Traded Commodity	MENTHAOIL

Script	Price	Price Change	OI Change%	Buildup
GOLD	157996	2.42 %	8.74	Long Buildup
SILVER	236787	1.88 %	-6.74	Short Unwinding
CRUDE OIL	8218	0.92 %	-50.27	Short Unwinding
NATURAL GAS	270.8	2.27 %	-27.41	Short Unwinding
COPPER	1372.10	0.26 %	-5.87	Short Unwinding
ZINC	399.2	0.42 %	-9.92	Short Unwinding
ALUMINIUM	348.65	0.46 %	-5.96	Short Unwinding

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