21-05-2026

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Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

Gold News

- Gold rebounded from a 2.5-month intraday low, gaining slightly above 1% on Wednesday as dip-buying emerged at lower levels. The recovery was primarily driven by easing oil prices amid hopes of progress in U.S.–Iran negotiations, which helped cool immediate inflation fears and pulled U.S. Treasury yields off recent highs. This improved sentiment around interest rates provided short-term support to gold.

- However, the broader outlook remains constrained. Markets continue to price in a “higher-for-longer” interest rate environment, with limited expectations of rate cuts through most of 2026. Federal Reserve meeting minutes also highlighted concerns that the ongoing Middle East conflict could sustain inflationary pressures, with some policymakers open to further tightening if inflation persists above target.

- As a non-yielding asset, gold faces headwinds in such an environment, especially when supported by elevated bond yields and a relatively firm U.S. dollar. While safe-haven demand continues to provide downside protection, sustained upside will likely depend on a clearer shift in rate expectations or a sharp escalation in geopolitical risks.

Technical Overview

- **GOLD :** Technically, MCX Gold is witnessing a range-bound to short-term uptrend after a decisive breakout from its previous trading range. A Pole and Flag pattern is visible on the daily chart, suggesting continuation of the bullish move. 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 downside support holds at 155,000–152,500. Prices trading above the 20-SMA indicate strong short-term momentum. The RSI is near the 62 mark with a flat slope, suggesting further upside potential, while the MACD remains above the zero line with a green histogram, indicating that dips are being bought and treated as accumulation opportunities.

Silver Insight

Silver News

- Silver outperformed gold, rallying nearly 3% as it recovered from recent sharp declines. The move was driven by a mix of short covering and renewed buying interest after last week's steep correction.
- Unlike gold, silver's price action is influenced not only by safe-haven demand but also by industrial demand expectations. The rebound in broader risk sentiment, along with easing fears around energy-driven inflation, supported silver's recovery.
- However, volatility remains elevated. The metal is still sensitive to movements in the dollar index, bond yields, and overall risk appetite. Additionally, any slowdown in global economic activity or persistent high interest rates could limit upside, given silver's industrial exposure.
- In the near term, silver is likely to remain more volatile than gold, with sharper moves on both sides depending on macro cues and positioning flows.

Technical Overview

- **SILVER:** Silver is currently trading in a symmetrical triangle pattern. A breakout will be confirmed once prices sustain above the 280,000 level, which is acting as a major resistance, while immediate support is placed at 267,000.

Crude Oil Insight

Crude oil News

- Oil prices declined sharply in a volatile trading session, with both Brent and WTI falling around 5.5% after initial gains. The drop followed comments from the U.S. President indicating that negotiations with Iran are in the final stages, although he warned of further action if a deal is not reached.

- Additionally, Iran signaled willingness to develop protocols for safe shipping in the Strait of Hormuz, which further pressured prices in late trade. Despite this, markets remain cautious as supply disruptions in the Middle East persist.

- The Brent time spread (front-month premium over six-month contracts), a key indicator of supply tightness, has narrowed to around $20 per barrel from over $35 last month, suggesting easing near-term supply concerns.

- On the inventory front, U.S. crude stockpiles declined by 7.9 million barrels to 445 million barrels for the week ended May 15, significantly higher than expectations of a 2.9 million-barrel draw, indicating strong demand.

Technical Overview

- **CRUDE OIL**: Technically, crude oil in the domestic futures market continues to remain in an uptrend despite recent corrections and ongoing volatility. Prices are trading around the short-term 20-SMA and remain above the medium-term 50 and 100 SMA, which are providing support at lower levels. 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 50 mark with a downward slope, indicating some profit booking at higher levels, while the MACD remains well above the zero line, suggesting buying interest on dips.

Natural Gas Insight

Natural gas News

- ❑ Natural gas prices declined on Wednesday due to profit booking after a five-day rally. Despite the pullback, the short-term bullish trend remains intact as prices continue to find support near key technical demand zones.

- ❑ However, the broader outlook remains range-bound, with prices fluctuating within the 235–305 range over the past few weeks. On one side, geopolitical risks in the Middle East provide support, while on the other, mild U.S. weather forecasts and near-record production levels cap upside potential.

Technical Overview

- ❑ **NATURAL GAS** : Technically, natural gas is in a sideways-to-uptrend after breaking above the swing high of 282. If the rally sustains, prices are likely to test the 307–320 range in the short term, as long as support holds at 287–281–277–268 on the downside, while resistance is seen in the 308–322 zone. The RSI is near the 61 mark with an upward slope, indicating further upside potential, while the MACD remains above the zero line, suggesting dips are being bought.

Base Metal Insight

Base Metal News

- Copper and other base metals ended higher and remain close to their all-time highs on the domestic futures exchange. The rally is supported by demand optimism and improved risk sentiment following hopes of easing geopolitical tensions. That said, the broader outlook remains cautious due to concerns over global economic activity, a firm U.S. dollar, rising inventories, and expectations of prolonged higher interest rates—all of which continue to act as headwinds for the metals complex.

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 63 with a flat slope, suggesting some profit booking 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 has tested all-time highs on the domestic exchange. Prices are likely to test the 375–380 range, provided support at 358–345 holds. The RSI is near the 77 mark with an upward slope, indicating strong momentum, though 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 65 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.

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Dollar Index News

- **The US Dollar Index (DXY)** traded modestly firmer to stable overnight, hovering around **99.00–99.40 levels** (recently closing near 99.13 with small daily moves). 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.

Technical Overview

- **DOLLAR INDEX :-** The Dollar Index (DXY), after a breakout from a symmetrical triangle pattern, is currently trading in a narrow range between 98.93 and 99.4. A breakout on either side could trigger a sharp directional move.

Forex Insight

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USDINR News

- **USDINR showed marginal firmness overnight and traded in the 95.80–96.50 zone (near recent multi-week highs around 96.00–96.68 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 interventions already substantial in 2026), 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 97 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	165000	150000	1.03
SILVER	300000	250000	0.77
CRUDE OIL	10000	8500	1.31
NATURAL GAS	300	290	1.04
GOLD MINI	160000	150000	1.03
SILVER MINI	300000	270000	0.80

Highest Traded Commodity	CRUDE OIL

Lowest Traded Commodity	MENTHAOIL

Script	Price	Price Change	OI Change%	Buildup
GOLD	160006	0.58 %	-8.47	Short Unwinding
SILVER	274265	1.53 %	0.11	Long Buildup
CRUDE OIL	9463	-5.62 %	-17.06	Long Unwinding
NATURAL GAS	291.4	-2.67 %	-33.91	Long Unwinding
COPPER	1352.05	1.08 %	-4.45	Short Unwinding
ZINC	370.40	1.12 %	-5.26	Short Unwinding
ALUMINIUM	386.05	0.43 %	-2.16	Short Unwinding

Commodity Morning Update

Nirpendra Yadav
Sr. Research Analyst

Vibhu Ratandhara
Sr. Research Analyst

Lalit Mahajan
Research Analyst

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Bonanza Portfolio Ltd.
Bonanza House, Plot No. M-2, Cama Industrial Estate, Walbhat Road, Goregaon (E), Mumbai – 400063 Phone: 022-68363794/708 Website: https://www.bonanzaonline.com SEBI Regn. No.: INZ000212137 BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836 | CDSL: 120 33500 |NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186 Compliance Officer: Trupti Milind Khot, 022-62735507, compliance@bonanzaonline.com