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Bonanza

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

Gold News

- Gold prices ended marginally lower on Monday, with spot gold slipping around 0.2% as rising U.S. Treasury yields and a stronger U.S. dollar offset support from escalating geopolitical tensions in the Middle East. Investor sentiment remained cautious after Iran's Revolutionary Guards claimed attacks on U.S. military assets across the region, while Yemen's Houthi forces announced a naval blockade against Saudi Arabia, raising concerns over energy supplies and inflation. The stronger dollar made bullion more expensive for overseas buyers, while higher bond yields reduced the appeal of non-yielding assets. According to the CME FedWatch Tool, markets continue to assign only a 10.2% probability of a July rate hike, while the probability of a September hike stands at around 53%.

Technical Overview

- **GOLD :** Technically, MCX Gold (5th Aug contract) remains in a short-term downtrend as prices continue to trade below the 20-, 50-, and 100-day SMAs after breaking below the long-term 200-day SMA, indicating that bears remain firmly in control. The recent swing-low breakdown further reinforces the negative bias. Any pullback from current levels is likely to be a technical correction, with prices expected to revisit the **136,000–136,500** zone as long as resistance at **143,000–145,000–148,000** remains intact. RSI is at **40** with a flat slope, indicating continued downside potential, while the MACD remains well below the zero line with a long red histogram, reinforcing the prevailing bearish momentum.

Silver Insight

Silver News

- Silver outperformed gold on Monday, gaining around 1.2% despite persistent strength in the U.S. dollar and rising Treasury yields. The metal found support from renewed geopolitical uncertainty in the Middle East, which lifted investor interest in precious metals after Iran intensified attacks on U.S. military assets and Yemen's Houthis imposed a naval blockade against Saudi Arabia. However, expectations that the Federal Reserve could keep interest rates elevated continue to limit the upside, while concerns over industrial demand remain an additional headwind for silver.

Technical Overview

- **SILVER:** Technically, Silver opened with a gap-up and formed a small-bodied candle while hovering near the key **220,000** support level. The price action indicates buying interest emerging from lower levels and suggests an attempt at a short-term recovery. Immediate support is placed at **220,000**, while resistance is seen at **228,000**. A sustained breakout above **228,000** could strengthen bullish momentum and extend the recovery towards higher levels.

Crude Oil Insight

Crude oil News

- Crude oil prices ended higher on Monday, with Brent crude rising around 1.3% and WTI gaining nearly 1% after a volatile session as markets balanced escalating geopolitical tensions against hopes for renewed diplomatic talks. The conflict intensified following a ninth consecutive night of U.S. strikes on Iran, fresh Iranian attacks on U.S. allies in the Gulf, and Yemen's Houthi movement announcing a naval blockade against Saudi Arabia. At the same time, reports that mediators had proposed a 10-day ceasefire between the U.S. and Iran offered some optimism that negotiations could resume, limiting further gains in oil prices despite continued supply concerns.

Technical Overview

- **CRUDE OIL**: Technically, Crude Oil in the domestic futures market is showing early signs of a trend reversal, with prices moving above the short-term 20-day SMA. However, confirmation is still awaited as prices continue to trade well below the long-term 50-, 100-, and 200-day SMAs, keeping the broader trend weak. Unless prices sustain above the **8,200** resistance level, the possibility of another decline towards **6,000** remains intact. RSI has improved to **61** with an upward slope, indicating strengthening momentum, while the MACD remains below the zero line, suggesting the broader bearish trend has yet to reverse.

Natural Gas Insight

Natural gas News

- Natural gas futures extended their recent decline on Monday, falling to a fresh two-month low as rising U.S. production, ample storage levels, and softer LNG export demand continued to weigh on prices. The U.S. Energy Information Administration reported a storage build of **41 billion cubic feet**, broadly in line with expectations, reinforcing the view of comfortable supply conditions. Meanwhile, production in the Lower 48 states remained near record highs, while LNG export flows stayed below April's peak. Although warmer-than-normal weather is expected to sustain electricity demand through the end of July, forecasts for slightly lower overall gas consumption and abundant domestic supplies are likely to keep prices under pressure. In the near term, natural gas is expected to remain range-bound within the broader **270–325** trading range.

Technical Overview

- **NATURAL GAS** : Technically, Natural Gas remains in a downtrend. For the next meaningful upmove, prices need to sustain above the **320–325** swing-high resistance zone, which could pave the way for an advance towards the **345–350** belt. On the downside, sustained trading below **270** may trigger a decline towards **255**, while immediate resistance is placed at **290–295**. RSI is near **38** with a downward slope, indicating continued weakness in momentum, although the MACD remains above the zero line, suggesting that sharp declines may continue to attract buying interest.

Base Metal Insight

Base Metal News

- **Geopolitical developments from the US-Iran conflict continued to create residual uncertainty.** The **Strait of Hormuz** has seen partial normalisation with steady tanker traffic following the mid-June framework peace deal and demining progress. However, occasional diplomatic friction, alleged minor violations, and ongoing talks have kept limited supply and logistics risks alive for Gulf-origin aluminium exports, though overall pressures on freight, insurance, and energy costs have eased substantially.

Technical Overview

- **Copper:** Technically, Copper has witnessed increased volatility over the last two trading sessions but has started the week on a positive note, sustaining above the **1,300** level. This suggests improving short-term sentiment after the recent recovery. Immediate resistance is placed at **1,320**, while support is seen at **1,295**. A sustained move above resistance could strengthen the bullish outlook in the near term.

- **Zinc** : Technically, Zinc continues to consolidate after its recent breakout, forming an indecisive candle that reflects a phase of strong consolidation. A breakout on either side could trigger a sharp directional move. A sustained move above **380** could initiate the next leg of the uptrend, while immediate support is placed at **372**.

- **Aluminum :** Technically, Aluminium has started the week on a muted note and is trading within a narrow range. Despite the consolidation, the overall technical structure remains constructive. A sustained move above **346** could extend the bullish momentum, while immediate support is placed at **339**.

- **Nickel** : Technically, Nickel has witnessed heightened volatility over the past week, accompanied by higher trading volumes. Prices continue to sustain above the **1,600** level, indicating buying interest at lower levels. However, **1,650** remains a significant resistance zone. Immediate support is placed at **1,560**, and a sustained breakout above **1,650** would be required to confirm a stronger recovery.

- **Electricity Futures**: Technically, Electricity Futures have shown improving buying momentum following last week's series of small-bodied candles. The recovery suggests that bulls are gradually regaining control. Immediate resistance is placed at **5,100**, while support has shifted higher to **4,700**. Sustained trading above current levels could extend the ongoing recovery in the near term.

- **Bulldex**: Technically, the Bullion Index (Bulldex) continues to maintain a **lower high–lower low** structure, indicating that the broader trend remains bearish. Immediate support is placed at **31,500**, while resistance is seen at **34,000**. A decisive breakout on either side is likely to determine the next directional move.

Dollar Index News

- **The US Dollar Index (DXY)** traded modestly firmer overnight, hovering around **101.40–101.70 levels** (recently closing near 101.55–101.65 with small daily gains of ~0.15–0.3%). The greenback drew support from lingering safe-haven flows tied to residual Middle East uncertainties, combined with growing expectations of higher-for-longer (or potentially higher) US interest rates amid persistent sticky core inflation data and shifting market pricing for upcoming FOMC meetings. The DXY has remained elevated near recent highs around 101.80–102 and continues to act as a notable headwind for dollar-denominated commodities like base metals, while staying sensitive to any fresh geopolitical headlines, upcoming US economic releases, and Fed signals.

Technical Overview

- **DOLLAR INDEX :-** Technically, the Dollar Index (DXY) failed to sustain its recent bullish momentum and has witnessed selling pressure from the **102.00** level. Immediate support is placed at **100.00**. A sustained break below support could extend the corrective decline, while a move back above **102.00** would be required to revive bullish momentum.

Forex Insight

USDINR News

- **USDINR showed marginal firmness overnight and traded in the 94.80–95.30 zone (near recent stabilised levels around 95.00–95.20).** The rupee faced mild pressure from the resilient dollar and residual oil import cost concerns due to lingering Hormuz-related volatility (India imports ~85% of its oil), but was well-supported by proactive RBI actions and gradual improvement in global risk sentiment. The **Reserve Bank of India (RBI)** has remained extremely vigilant following its early June policy meeting (holding the repo rate steady at 5.25%, with downward GDP growth forecast to 6.6% and upward inflation projections). Key ongoing measures include frequent spot dollar sales through state-run banks (often $2–4 billion on volatile days), selective NDF market tightening, close monitoring of large corporate dollar purchases, and supportive liquidity tools such as USD/INR buy-sell swap auctions, FX hedging subsidies for FCNR(B) deposits, concessional swaps for ECBs, and tax incentives to attract foreign inflows (targeting $30–50 billion). While the rupee has weakened notably year-to-date due to the earlier prolonged oil supply shock, consistent RBI interventions and policy packages have helped stabilise the currency, limit excessive volatility, and support a meaningful recovery from recent peaks near or above 96 versus Asian peers. Domestic factors like steady foreign institutional outflows and current account concerns persist, but the overall bias has turned more constructive with moderating oil prices and geopolitical relief. 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 updates as Indian markets begin trading.

Technical Overview

- **USDINR :-** Technically, day trend may remain **BULLISH** in USDINR after approaching an important support zone of 95.9 level the next support level is placed at 95 level and resistance at 96.7 if that breaks then the next resistance will at 98

Derivative Insight

Script	Highest traded Strike Price (CE)	Highest traded Strike Price (PE)	PCR
GOLD	145000	135000	0.69
SILVER	240000	200000	0.53
CRUDE OIL	8000	7900	0.97
NATURAL GAS	280	275	0.39
GOLD MINI	145000	140000	0.64
SILVER MINI	240000	200000	0.44

Highest Traded Commodity	CRUDE OIL	Lowest Traded Commodity	MENTHAOIL

Script	Price	Price Change	OI Change%	Buildup
GOLD	141388	0.34 %	-5.18	Short Unwinding
SILVER	218400	0.92 %	-1.75	Short Unwinding
CRUDE OIL	7994	0.62 %	-35.50	Short Unwinding
NATURAL GAS	274.6	-2.52 %	5.74	Short Buildup
COPPER	1314.15	0.91 %	0.59	Short Unwinding
ZINC	373.55	0.11 %	-7.91	Short Unwinding
ALUMINIUM	341.05	-0.55 %	-4.36	Long Unwinding

Commodity Morning Update

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