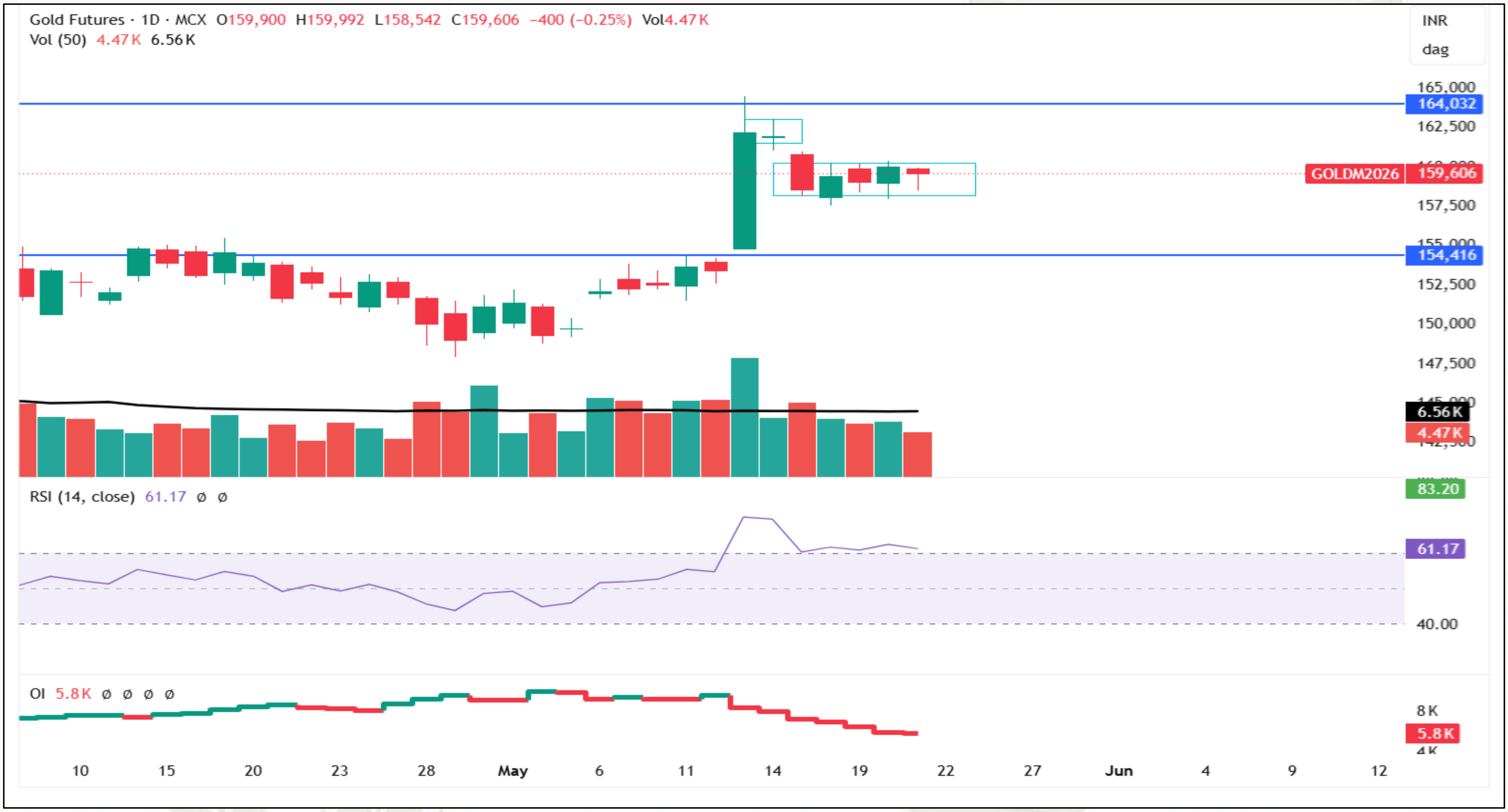
22-05-2026

Bonanza

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight



Gold News

- Gold ended almost flat on Thursday, gaining just 0.1% after recovering from earlier weakness. The metal found support from a decline in oil prices amid uncertainty over a resolution to the U.S.–Israeli war with Iran, along with a softer U.S. dollar and easing Treasury yields. However, the broader trend remains under pressure. Benchmark 10-year U.S. Treasury yields are still hovering near their highest levels since February 2025, keeping the opportunity cost of holding non-yielding assets elevated.

- Gold has fallen more than 14% since the war began in late February, as disruptions in the Strait of Hormuz pushed energy prices higher and intensified inflation concerns. This has shifted market expectations toward a more hawkish Federal Reserve stance. Traders now see a 58% probability of at least one 25-basis-point rate hike by the U.S. Federal Reserve this year, up from 48% a day earlier, according to CME FedWatch data. A higher-for-longer rate environment continues to act as a key headwind for gold, limiting sustained upside despite intermittent safe-haven demand.

Technical Overview

- **GOLD :** Technically, MCX Gold is currently in a range-bound to short-term uptrend after decisively breaking its multi-week trading range a few sessions ago. A Pole and Flag pattern is now visible on the daily chart, suggesting continuation strength. As long as prices sustain above the 165000 level, the rally is likely to extend towards the 169000–170000 resistance zone in the short term, while immediate downside support is placed at 155000–152500. Prices trading above the 20 SMA indicate that short-term momentum remains positive. On the indicator front, RSI is around the 61 mark with a flat slope, indicating room for further upside, while MACD remains above the zero line with a green histogram, suggesting that dips are being viewed as buying opportunities.

Silver Insight

Silver News

❑ Silver outperformed gold on Thursday, rising 0.9% after recovering from an earlier decline of nearly 1% during the session. The rebound was supported by softer oil prices and a weaker dollar, which improved overall sentiment in the precious metals space. Compared to gold, silver continues to exhibit higher volatility, driven by its dual role as both a precious and industrial metal. The recovery also reflects short covering and bargain buying after recent price weakness.

❑ However, the upside remains vulnerable to macro pressures such as elevated interest rates and fluctuating risk sentiment. Any slowdown in global economic activity or persistent inflation could weigh on industrial demand expectations, capping further gains. In the near term, silver is likely to remain more reactive than gold, with sharper price swings driven by movements in the dollar index, bond yields, and broader market sentiment.

Technical Overview

❑ **SILVER:** Silver is currently trading within a symmetrical triangle pattern. A breakout will be confirmed only if prices sustain above the 280000 level, which is acting as a key resistance, while immediate support is placed at 267000.

Crude Oil Insight

Crude oil News

- Oil prices declined for a second consecutive session in a highly volatile trade, with both Brent and WTI falling nearly 2.5% after giving up earlier gains. Initial strength came after reports that Iran's leadership had taken a stance that reduced hopes for a swift resolution to the conflict.

- However, prices later reversed as diplomatic signals emerged, including reports that mediators would travel to Iran for further negotiations. Despite this, uncertainty around the outcome of peace talks continues to drive volatility in energy markets.

- Separately, seven major OPEC+ producers are expected to agree on a modest output increase for July in their upcoming June 7 meeting. Normally, such developments would influence prices, but ongoing supply disruptions linked to the Iran conflict continue to dominate market sentiment.

Technical Overview

- **CRUDE OIL**: Technically, Crude Oil in the domestic futures market continues to remain in an uptrend despite a two-day correction and ongoing volatility. Prices are currently trading around the short-term 20 SMA, while still holding above the medium-term 50–100 SMA, which continues to provide a strong base on the downside. If the rally sustains, prices are likely to test the recent highs around 10550–11000 in the short term, as long as the support zone of 9100–8800–8300 holds. RSI is near the 49 mark with a downward slope, indicating some profit booking at higher levels, while MACD remains above the zero line, suggesting that buying interest persists on dips.

Natural Gas Insight

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Natural gas News

- ❑ Natural gas prices ended nearly flat on Thursday, continuing to witness profit booking following last week's rally. Despite the pause, the short-term bullish structure remains intact, supported by technical demand zones.
- ❑ On a broader scale, prices continue to trade within a defined range of 235–305, reflecting a balance between supply concerns from geopolitical tensions and demand-side pressures from mild U.S. weather forecasts.
- ❑ Additionally, near-record U.S. production levels continue to cap upside, resulting in a prolonged phase of range-bound and volatile price action.

Technical Overview

- ❑ **NATURAL GAS** : Technically, Natural Gas is in a sideways to uptrend after a breakout above the 282 swing high. If the rally sustains, prices are expected to test the 308–320 zone in the short term, provided support at 287–281–277–268 holds. Resistance is seen in the 308–322 range. RSI is near 60 with an upward slope, indicating further upside potential, while MACD remains above the zero line, suggesting that declines are likely to be bought into.

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 is in an uptrend, and as long as the support zone of 1325–1305–1275 holds, prices are likely to test the 1410–1415 zone in the short term. Prices trading above the 20 SMA indicate short-term strength. RSI is around 60 with a flat slope, suggesting possible profit booking at higher levels, while MACD above the zero line with a rising histogram indicates continued bullish momentum.

- **Zinc** : Zinc continues to trade in an uptrend and has already tested all-time highs on the domestic exchange, with the potential to move towards the 375–380 zone in the short term, as long as support at 358–345 holds. RSI is around 71 with an upward slope, indicating sustained strength, while MACD above the zero line with an increasing histogram reflects continued buying interest on dips.

- **Aluminum:** Aluminium also remains in a strong uptrend and is approaching all-time highs in the domestic futures market, with potential to move towards the 390–400 zone as long as support at 365–350–345 holds. A sustained move above 391 could further extend the rally towards 395–400. RSI is near 66 with a flat slope, suggesting some room for profit booking, while MACD remains firmly above the zero line, indicating strong underlying buying support.

- **Nickel** : Nickel is currently trading near the resistance level of 1900 and is witnessing some selling pressure. Immediate support is placed at 1800. Prices are in a pullback phase, but a decisive breakout above 1900 could trigger a fresh bullish move in the near term.

- **Electricity Futures**: Electricity Futures are hovering near a strong support zone around 4500, which has consistently acted as a base. Immediate resistance is placed at 4800, and a breakout above this level could extend the rally towards the 5300 mark.

- **Bulldex**: The Bullion Index (Bulldex) has eroded the gains of last week's bullish move and is currently showing signs of weakness. Immediate support is placed at 38000, while resistance is seen at 40000.

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Dollar Index News

- **The US Dollar Index (DXY)** traded modestly stable to slightly firmer overnight, hovering around **99.20–99.40 levels** (recently closing near 99.23–99.26 with very small daily moves of ~0.03–0.23%). 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 (around 100.6+), 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 breaking out of a symmetrical triangle pattern, is currently trading in a narrow range between 98.93 and 99.4. A breakout on either side is likely to trigger a sharp directional move in the near term.

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, selective tightening of NDF regulations, monitoring of large corporate dollar purchases, and other tools to prevent disorderly weakness. On May 21, the rupee rose as much as 0.8% (its strongest session since early April) to around 96.04 on reported RBI interventions in both onshore and offshore markets. 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. The central bank has also announced a $5 billion USD/INR buy-sell swap auction for May 26 to inject liquidity and bolster reserves. 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	160000	155000	0.93
SILVER	280000	250000	0.81
CRUDE OIL	10000	8000	1.18
NATURAL GAS	295	290	1.09
GOLD MINI	160000	155000	0.98
SILVER MINI	300000	270000	0.83

Highest Traded Commodity	CRUDE OIL	Lowest Traded Commodity	MENTHAOIL

Script	Price	Price Change	OI Change%	Buildup
GOLD	159606	-0.25 %	-2.36	Long Unwinding
SILVER	274883	0.23 %	0.88	Long Buildup
CRUDE OIL	9342	-1.28 %	4.56	Short Buildup
NATURAL GAS	290.1	-0.45 %	-22.86	Long Unwinding
COPPER	1345.05	-0.52 %	-1.14	Long Unwinding
ZINC	367.45	-0.80 %	5.32	Short Buildup
ALUMINIUM	386.75	0.18 %	-22.79	Short Unwinding

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