26-05-2026

Bonanza

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

Gold News

- Gold ended higher on Monday, gaining 1.2% in thin holiday trading as most overseas markets remained shut due to the U.S. **Memorial Day** holiday. The upside was driven by optimism around a potential U.S.–Iran peace deal, which pressured both the dollar and oil prices lower, easing inflation concerns and reducing expectations of a prolonged high-interest-rate environment.

- Despite the rebound, the broader trend remains weak. Gold has declined nearly 14% since the Iran war began in late February, as elevated energy prices fueled inflation fears and strengthened the case for tighter monetary policy.

- Market expectations have also shifted slightly, with traders now pricing in a 40% probability of at least one 25-basis-point rate hike by the Federal Reserve this year, down from 58% a few days ago, according to CME FedWatch data. While easing rate expectations provided short-term support, gold continues to face headwinds from the overall higher-for-longer rate narrative.

Technical Overview

- **GOLD :** Technically, MCX Gold is 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, indicating potential continuation. As long as prices sustain above the 165000 level, the rally is likely to extend towards the 169000–170000 resistance zone in the near term, while immediate downside support is placed at 155000–152500. Prices trading above the 20 SMA suggest that short-term momentum is likely to continue. RSI is around the 59 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, rallying 2.5% on Monday as it tracked the broader strength in bullion and benefited from improved risk sentiment. The decline in the dollar and oil prices supported the move, while easing inflation fears added to buying interest.

❑ Silver's sharper upside also reflects its higher beta nature and tendency to react more aggressively during shifts in macro sentiment. In addition to its safe-haven appeal, silver drew support from improving expectations around industrial demand, especially amid hopes of reduced geopolitical tensions.

❑ However, volatility remains elevated, and the metal is likely to remain sensitive to movements in interest rates, the dollar index, and overall risk appetite in the near term.

Technical Overview

❑ **SILVER:** Silver opened with a gap up and confirmed a breakout from the symmetrical triangle pattern by closing above it. This indicates strengthening bullish momentum in the counter. The next resistance is placed at 283000, while immediate support is seen at 266000.

Crude Oil Insight

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Crude oil News

- Oil prices tumbled sharply in a volatile session, opening with a gap down as Brent dropped around 7% and WTI declined nearly 6.5%. The fall was driven by growing optimism that the U.S. and Iran are moving closer to a peace deal that could reopen the Strait of Hormuz and restore disrupted supply flows.
- Trading volumes remained thin due to the U.S. holiday. Meanwhile, Iran's top negotiator and foreign minister held talks in Doha with Qatar's leadership, indicating progress toward a potential agreement. Both sides are reportedly working on a memorandum of understanding that could halt the war and allow 60 days for a final deal.
- Despite optimism, uncertainty persists, as both Washington and Tehran have downplayed the likelihood of an immediate breakthrough.

Technical Overview

- **CRUDE OIL**: Technically, Crude Oil in the domestic futures market has formed a double top pattern and is currently testing the swing low breakout zone after a gap-down opening on Monday. Prices are trading well below the 20 SMA, indicating short-term weakness. A sustained move below the 8400–8350 support zone could trigger further downside towards the medium-term base area around 7500. RSI is near 41 with a downward slope, suggesting room for further downside, while MACD remains above the zero line, indicating some support at lower levels.

Natural Gas Insight

Natural gas News

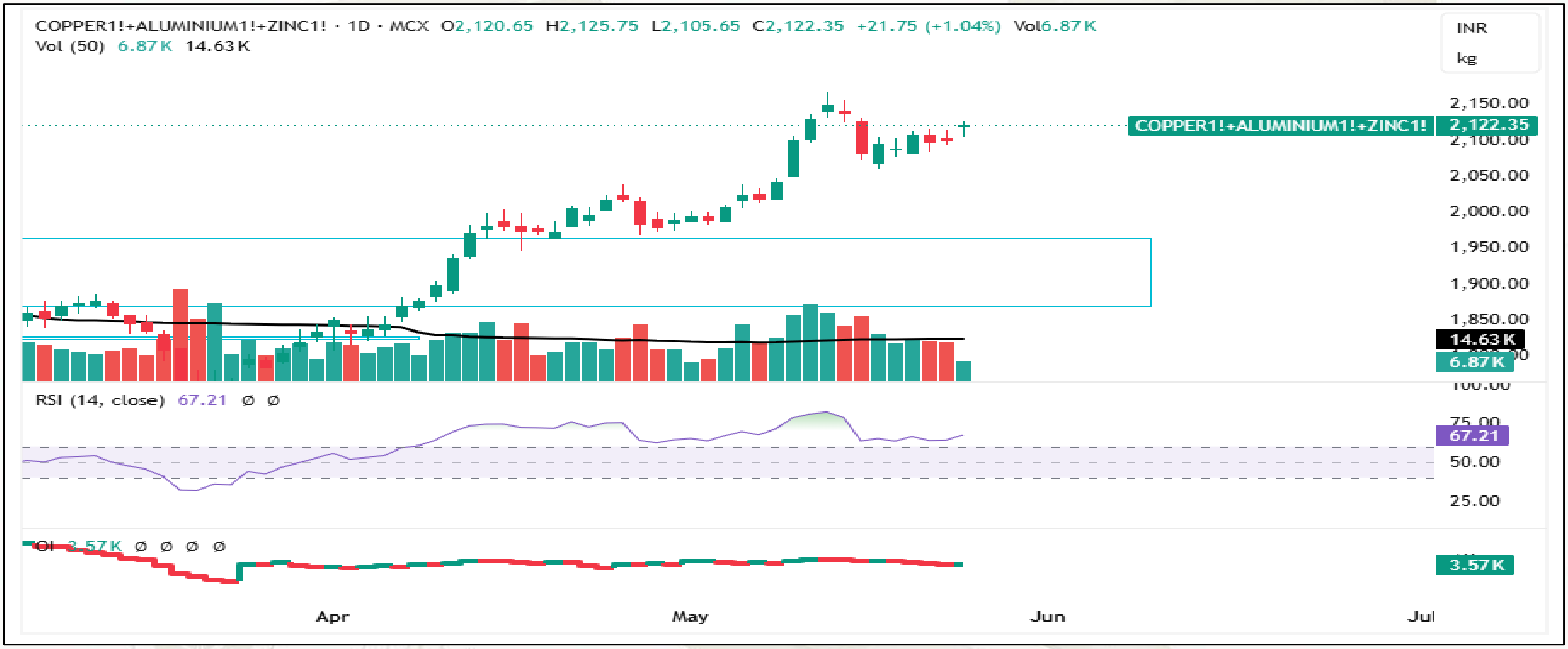
- Natural gas futures ended nearly flat, forming an indecisive candle pattern amid ongoing profit booking after last week's rally. Despite this pause, the short-term bullish trend remains intact, supported by strong technical demand zones.

- On the broader front, prices continue to trade within a range of 235–305, reflecting a balance between geopolitical supply risks and weak demand factors such as mild U.S. weather and near-record production levels. This has resulted in continued range-bound and volatile price action.

Technical Overview

- **NATURAL GAS** : Technically, Natural Gas is in a sideways to uptrend after breaking above the 282 swing high recently. If the rally sustains, prices are expected to test the 308–320 zone in the short term, provided support at 265–255 holds. Resistance is seen at 290–308–322. RSI is around 52 with a flat slope, indicating room for upside, while MACD above the zero line suggests that dips are being accumulated.

Base Metal Insight



Base Metal News

- Copper and other base metals ended largely flat, with price ranges narrowing over the past few sessions. Prices remain close to recent all-time highs on the domestic futures exchange, supported by demand optimism and improved risk sentiment linked to potential geopolitical de-escalation. However, the broader outlook remains cautious. Concerns over global economic activity, fluctuations in the dollar index, rising inventories, and expectations of prolonged higher interest rates continue to act as key headwinds, limiting sustained upside momentum.

Technical Overview

- **Copper:** Technically, Copper remains 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 near 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. It has the potential to move towards the 375–380 zone in the short term, as long as support at 368–358–345 holds. RSI is around 76 with an upward slope, indicating strong momentum, while MACD above the zero line with an increasing histogram reflects sustained buying interest on dips.

- **Aluminum:** Aluminium 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 extend the rally further towards 395–400. RSI is near 65 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, after forming a base near the 4500 support zone, have given a breakout and a strong follow-up move. The next resistance is placed at 5200, while immediate support is seen at 4800.

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

Forex Insight

Dollar Index News

- **The US Dollar Index (DXY)** traded modestly firmer overnight, hovering around **99.35–99.65 levels** (closing near 99.45–99.52 on May 25 with gains of around 0.2–0.35%). The greenback found support from lingering safe-haven demand amid unresolved Hormuz tensions and Middle East uncertainties. Expectations that US interest rates may remain higher for longer due to sticky inflation risks (partly from earlier energy price spikes) also provided a solid floor. While the DXY has moderated from its earlier 2026 peaks above 100, it continues to rebound on any geopolitical flare-ups and remains a significant headwind for 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 could trigger a sharp directional move in the near term.

Forex Insight

USDINR News

- **USDINR showed marginal firmness overnight and traded in the 96.20–96.70 zone (near recent multi-week highs around 96.45–96.68 levels).** The rupee continued to face 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 stayed highly proactive with regular spot dollar sales through state-run banks, selective NDF market tightening, and close monitoring of large corporate dollar purchases to prevent disorderly moves. On May 23, the RBI conducted a $5 billion USD/INR buy-sell swap auction to improve liquidity and support reserves. While some stricter FX curbs imposed earlier in April/March have been partially rolled back, the RBI continues aggressive vigilance to defend key psychological levels around 96–97 and limit rupee underperformance versus other Asian currencies. 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 intraday volatility relatively 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 weakened notably year-to-date amid the prolonged oil supply 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

Script	Highest traded Strike Price (CE)	Highest traded Strike Price (PE)	PCR
GOLD	165000	155000	0.89
SILVER	280000	270000	0.80
CRUDE OIL	8700	8000	1.10
NATURAL GAS	290	290	1.08
GOLD MINI	160000	155000	0.89
SILVER MINI	290000	270000	0.80

Highest Traded Commodity	CRUDE OIL

Lowest Traded Commodity	MENTHAOIL

Script	Price	Price Change	OI Change%	Buildup
GOLD	159081	0.25 %	-9.29	Short Unwinding
SILVER	276716	1.79 %	-1.69	Short Unwinding
CRUDE OIL	8626	-5.91 %	-16.03	Long Unwinding
NATURAL GAS	277.5	0.18 %	-48.08	Short Unwinding
COPPER	1367.45	1.69 %	93.03	Long Buildup
ZINC	370.75	0.22 %	1.11	Long Buildup
ALUMINIUM	384.15	-0.47 %	68.78	Long Unwinding

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