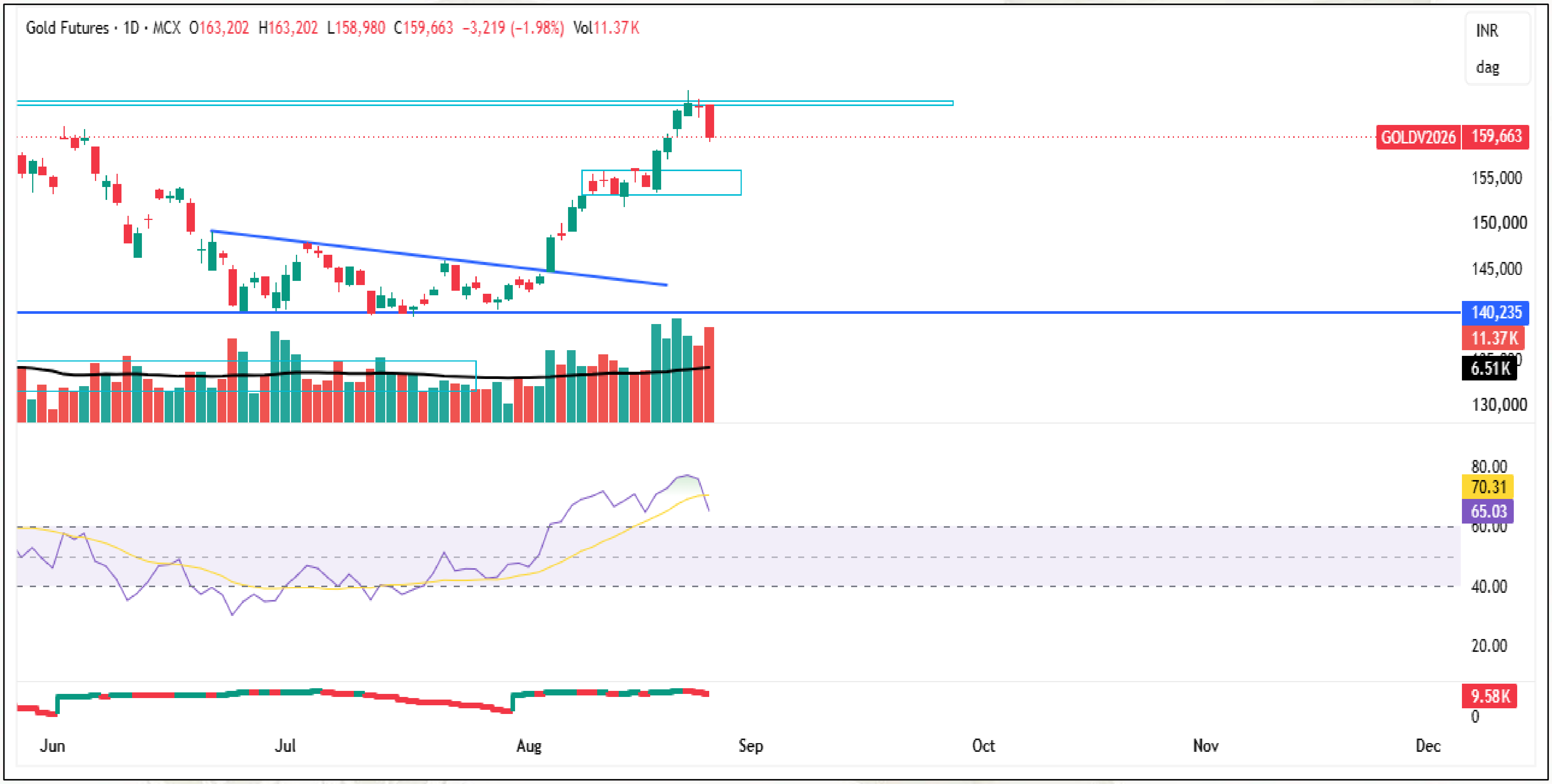
27-08-2026

Bonanza

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight



Gold News

- Gold retreated from the three-month high recorded in the previous session, with spot gold declining 1.3% on Wednesday after the latest U.S. inflation data came broadly in line with market expectations. The inflation reading reinforced expectations that the Federal Reserve could keep its tightening bias intact, increasing the probability of an interest rate hike at its September meeting. Investors also turned cautious ahead of Federal Reserve Chair Kevin Warsh's scheduled remarks later this week, looking for fresh guidance on the outlook for inflation, economic growth, and future monetary policy. Historically, gold has been regarded as a preferred safe-haven asset during periods of geopolitical uncertainty and elevated inflation. However, higher interest rates reduce the appeal of non-yielding assets such as gold, while a stronger U.S. dollar makes dollar-denominated bullion more expensive for overseas buyers, limiting demand. On the geopolitical front, Iran and Oman continued negotiations over the future management of the Strait of Hormuz, with a senior Iranian official stating that both countries were still finalizing the details of a proposed agreement after Iran's Revolutionary Guards indicated that an understanding had been reached regarding the sharing of the strategic waterway and its revenues. According to the CME FedWatch Tool, markets are currently pricing in around a 40% probability of a Federal Reserve rate hike in September and approximately a 70% chance of another increase by December.

Technical Overview

- **Gold:** Technically, MCX Gold (5th October contract) formed a large full-bodied bearish candlestick on profit booking. However, the broader trend remains firmly positive, as the earlier swing breakout accompanied by higher trading volumes indicates that bulls continue to maintain 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 counter. For the medium term, prices are expected to move towards the **₹1,65,000** level as long as the support levels at **₹1,59,600** and **₹1,53,500** remain intact. The RSI is hovering near the **65** mark with an upward slope, indicating that the broader bullish momentum remains intact despite the recent correction. Meanwhile, the MACD remains above the zero line with a long green histogram, suggesting further upside potential once the current profit booking subsides.

Silver Insight

Silver News

- Silver also ended lower on Wednesday, falling **1.0%** as investors booked profits following the recent rally and reassessed expectations for U.S. monetary policy after inflation data matched market forecasts. The precious metal remained under pressure as stronger interest rate expectations and a relatively firm U.S. dollar reduced the attractiveness of precious metals despite ongoing geopolitical uncertainty. Although silver continues to benefit from its dual role as both a safe-haven and an industrial metal, near-term sentiment remained cautious ahead of Federal Reserve Chair Kevin Warsh's upcoming speech, which could provide further direction for interest rate expectations. Meanwhile, continued discussions between Iran and Oman regarding the Strait of Hormuz kept geopolitical risks elevated, offering some underlying support to the precious metals complex. Nevertheless, the market's primary focus remains on the Federal Reserve's policy outlook, with the **CME FedWatch Tool** indicating a **40% probability of a September rate hike** and roughly a **70% chance of an additional increase by December**.

Technical Overview

- **Silver:** Silver opened with a strong gap-up but witnessed selling pressure throughout the session, forming a bearish engulfing candlestick that completely engulfed the previous day's candle. The RSI has also slipped below the **60** mark, indicating a loss of near-term momentum. Immediate resistance is placed at **₹2,50,000**, while support is seen near **₹2,38,000**.

Crude Oil Insight

Crude oil News

- Crude oil prices ended modestly lower on Wednesday following a volatile trading session, with **Brent crude declining 1.0%** while **WTI slipped 0.2%**. Market sentiment remained mixed as investors closely monitored ongoing negotiations between Iran and Oman regarding the future of the **Strait of Hormuz**, while a smaller-than-expected increase in U.S. crude inventories helped limit downside pressure. Although hopes for improved navigation through the Strait of Hormuz reduced some immediate supply concerns, traders remained cautious as the waterway continues to be one of the world's most strategically important energy routes. The **Strait of Hormuz and Bab el-Mandeb together account for nearly one-quarter of global oil shipments**, meaning any disruption has the potential to significantly impact global energy markets. In addition, Saudi Aramco has estimated that the world has already lost more than **2.6 billion barrels of oil supply** since the Iran conflict began in February, highlighting that geopolitical risks continue to provide an underlying floor for crude oil prices despite recent weakness.

Technical Overview

- **Crude Oil:** Technically, MCX Crude Oil remains in a downtrend, with the swing low breakdown witnessed a few days ago 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 **₹8,200–₹8,400** resistance zone holds, prices are expected to move towards the **₹6,700–₹6,400** zone. On the upside, prices need to sustain above the **₹8,400, ₹8,500, and ₹9,300** resistance levels to confirm the next bullish rally. The RSI is hovering near the **49** 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 closed higher on Wednesday as short covering emerged after recent declines, allowing prices to recover modestly. Despite the rebound, the market continued to trade within the broad range established by last week's two large candles, suggesting that traders remain cautious and are waiting for stronger fundamental catalysts before establishing fresh directional positions. The broader outlook for natural gas remains bearish due to abundant domestic production, comfortable storage levels, and expectations of softer demand amid milder weather conditions. Higher-than-expected storage injections continue to reinforce the oversupply narrative, while technical indicators still point toward a weak overall trend. However, any return of extreme heat or sustained strength in LNG export demand could improve consumption prospects and trigger additional short-covering rallies. Until a meaningful shift occurs in supply-demand fundamentals or weather forecasts, natural gas is likely to remain range-bound with a cautious bearish bias.

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 **₹285** 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

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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 **₹1,360** 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 **66** with a downward slope, indicating some near-term weakness. However, the MACD remains above the zero line with an increasing histogram, suggesting that the broader upside momentum remains intact.

- **Zinc:** MCX Zinc ended sharply higher for the **fifth consecutive session**, hitting a fresh all-time high while forming a strong full-bodied bullish candlestick. Strong fundamentals and sustained trading above the short-term 20-day SMA indicate that bulls remain firmly in control. A sustained move above the **₹425–₹430** zone could trigger another sharp rally, provided the support levels at **₹410** and **₹400** remain intact. The RSI is hovering near the **81** mark with an upward slope, indicating strong bullish momentum, while the MACD remains above the zero line with an increasing histogram, suggesting buying interest on every dip.

- **Aluminium:** MCX Aluminium ended higher and continues to trade close to the multi-week high recorded a few days ago. The swing breakout witnessed 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 **52** 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 was unable to extend its bearish momentum following last week's breakdown and has once again entered a consolidation phase. Prices are currently trading within a range, with **₹1,620** acting as a strong support level and **₹1,650** serving as the immediate resistance. A decisive breakout on either side of this range is likely to determine the next directional move.

- **Electricity Futures:** Electricity futures witnessed a strong bullish recovery after taking support near the **₹4,350** level. The upward momentum continued in the following session, indicating renewed buying interest. Immediate resistance is placed at **₹5,000**, while support is seen at **₹4,750**.

- **Bullion Index (Bulldex):** BullDex has witnessed a strong bullish rally after breaking out from its base formation. The index is now heading towards the **39,000** level, while immediate support is placed at **35,000**, keeping the overall trend firmly positive.

Forex Insight

Dollar Index News

- **The US Dollar Index (DXY)** edged higher overnight toward **99.10–99.15 levels**. The greenback posted a modest rebound from recent multi-month lows, reflecting some stabilization after prior weakness, though it remained well below earlier peaks. The move provided a mixed backdrop for commodities.

Technical Overview

- **DXY:** The U.S. Dollar Index (DXY) witnessed a sharp breakdown last week and has now stabilized near the **98.50** support level. As long as this support holds, the index may attempt a short-term recovery. Immediate resistance is placed at **99.60**, and a sustained move above this level could strengthen the recovery, while a break below **98.50** may trigger another round of selling pressure.

USDINR News

- **USDINR strengthened overnight, closing around the 95.40–95.45 zone (near 95.44).** The rupee gained notably (up about 26 paise in the prior session) supported by a softer-to-stabilizing dollar tone at times, a decline in crude oil prices, and positive domestic equity markets. Importer demand and residual geopolitical caution limited further gains, but RBI presence and solid reserves helped keep the pair range-bound overall. Markets continue to monitor oil price moves tied to Hormuz developments, FII flows, and any further central bank actions 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	155000	0.99
SILVER	250000	230000	0.75
CRUDE OIL	8000	7700	0.96
NATURAL GAS	280	270	1.17
GOLD MINI	162000	160000	0.86
SILVER MINI	300000	240000	0.72

Highest Traded Commodity	GOLD

Lowest Traded Commodity	MENTHAOIL

Script	Price	Price Change	OI Change%	Buildup
GOLD	159663	-1.98 %	-5.52	Long Unwinding
SILVER	239638	-1.84 %	-10.72	Long Unwinding
CRUDE OIL	7897	0.77 %	-13.22	Short Unwinding
NATURAL GAS	272	2.60 %	-42.51	Short Unwinding
COPPER	1391	-0.47 %	8.54	Short Buildup
ZINC	413.80	0.61 %	12.44	Long Buildup
ALUMINIUM	344.35	-0.66 %	8.21	Short Buildup

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