28-08-2025

Prime Brokerage

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

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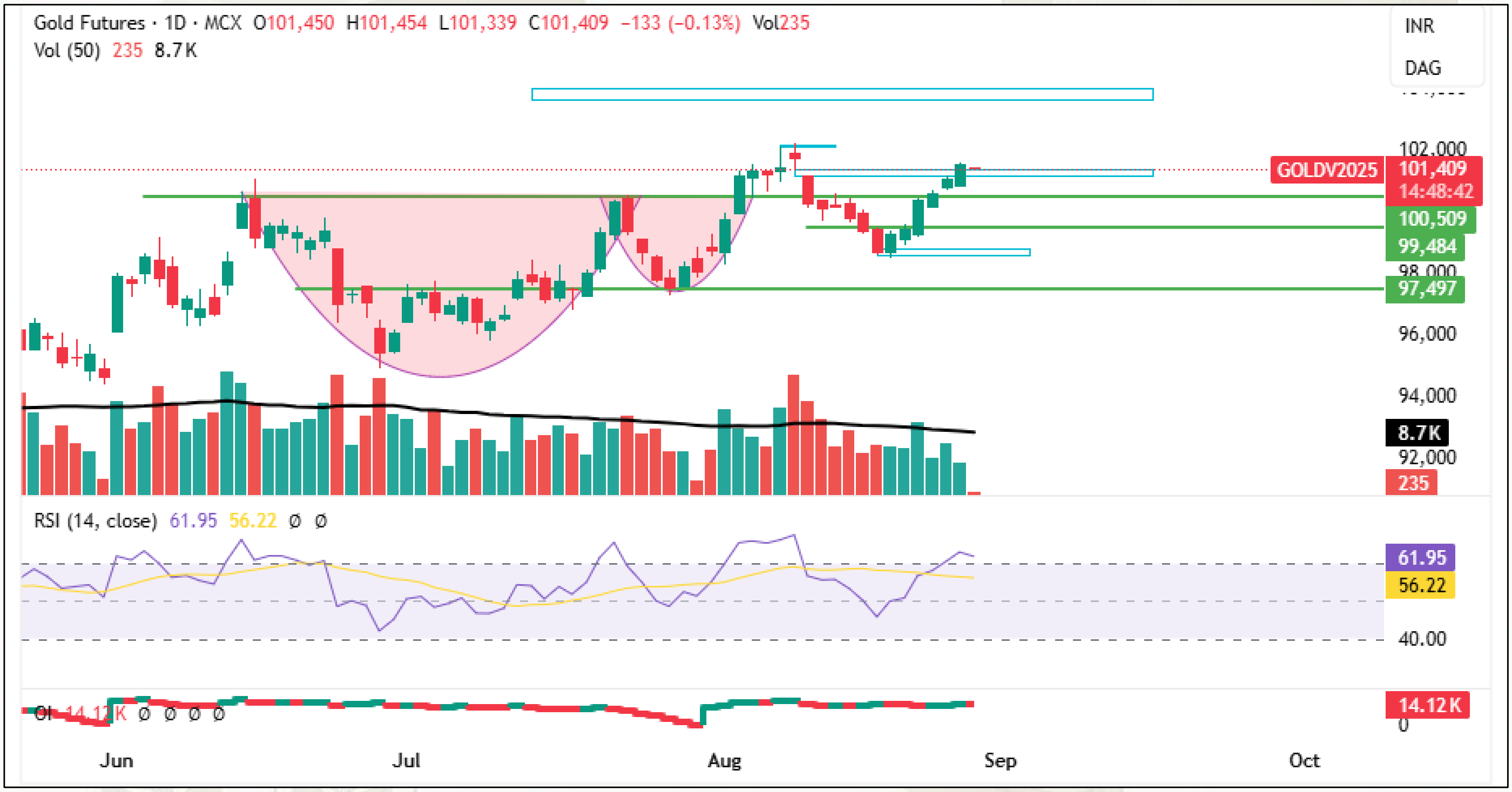

Gold News

- Gold prices held steady on Wednesday after briefly touching a more than two-week high, as political tensions surrounding the Federal Reserve reignited investor concerns. The catalyst came from U.S. President Donald Trump's unprecedented attempt to dismiss Federal Reserve Governor Lisa Cook.

- Cook firmly rejected the move, declaring that she would legally contest her removal, while the Federal Reserve itself backed her stance, stating that the president lacked cause to dismiss her. The episode has raised broader concerns about political interference in the traditionally independent central bank.

Technical Overview

- **GOLD :** Technically, gold prices remained up for 6th consecutive day. A hammer candle on the weekly chart with strong volume giving support to the gold prices neat all-time high levels. The MACD and RSI have turned bullish on the daily chart indicating an upside move in today's session. Gold has resistance at 102,000 and support at 101,000.

Silver Insight

Silver News

- This uncertainty strengthened safe-haven demand for gold, even as broader risk sentiment in equity markets remained relatively firm. Investors are now watching closely for any escalation in tensions between the White House and the Fed, as such developments could influence monetary policy expectations and, by extension, bullion prices.

Technical Overview

- **SILVER:** Technically, silver prices have given a break-out of flag pattern with strong volume on the daily chart. Prices are trading above important moving averages and continue sustaining above the break-out levels on the daily chart. Three days of consolidation after a strong move indicating an upside trend in today's session. Silver has support at 113,000 and resistance at 118,000.

Crude Oil Insight

Crude oil News

- Oil prices edged higher on Wednesday, recovering modestly after sharp losses in the prior session. Traders reassessed the impact of two key developments: U.S. tariff action against India and weaker-than-expected declines in U.S. crude stockpiles.

- The Trump administration recently imposed an additional 25% tariff on Indian imports, doubling the total duty to 50%. The move was widely interpreted as part of Washington's broader strategy to pressure India over its continued energy trade with Russia amid the Ukraine conflict. While the tariffs stoked concerns over demand from one of the world's largest energy consumers, supply-side risks helped prices find a floor.

Technical Overview

- **CRUDE OIL**: Technically, crude oil prices gained after a day of profit booking. Crude oil has breached the downwards channel on the daily chart. However, prices are trading below 50 and 200-day SMA but sustaining above 100-day SMA. The MACD has given a positive crossover while the RSI is at 48 level on the daily chart indicating a sideways trend in today's session. Crude oil has resistance at 5800 and support at 5400.

Natural Gas Insight

Natural gas News

- Weather-driven demand was mixed across the United States. Comfortable conditions prevailed across the Midwest, Ohio Valley, and Northeast, with temperatures in the 60s to 80s, while much of Texas and the South cooled into the 70s and 80s. In contrast, the Western U.S. and far southern regions remained hot, supporting localized demand.

- Overall, the national demand outlook was assessed as **decently strong during the day, but easing into low-to-moderate levels** in the near term. With storage levels remaining robust and supply conditions stable, natural gas markets are likely to stay under pressure unless weather patterns shift more aggressively or geopolitical risks emerge.

Technical Overview

- **NATURAL GAS** : Technically, natural gas prices remained up yesterday and have given an upside break-out from a downwards channel yesterday. The MACD has given a positive crossover while RSI is showing bullish divergence on the daily chart. However, prices are still trading below important moving averages indicating a sideways trend in today’s session. Natural gas has resistance at 280 and support at 240.

Base Metal Insight

Base Metal News

- Bassett called for an internal review at the US Fed and stated that Trump's choice for Fed Chairman would definitely be known in the fall. The crisis of the Fed's independence intensified, and the US dollar index showed an "inverted V" trend, with copper prices falling first and then rising. Meanwhile, Trump warned Putin that if the conflict did not end, an economic war would begin, triggering market risk-off sentiment and creating headwinds for copper prices. On the fundamentals, supply side, imported supplies were limited, and high-quality copper supplies were tight, resulting in overall tight supply.

- Demand side, approaching month-end, some customers did not handle cargoes with invoices dated next month, and downstream maintained just-in-time procurement, with overall market transactions being average. Price side, affected by macro headwinds and weak fundamentals on both supply and demand

Technical Overview

- **COPPER:** Copper after facing resistance yesterday open gap down and again coming near the 880 and resistance at 900

- **ZINC:** Zinc after a bearish candle and after selling and resistance at 272 and support at 264

- **ALUMINUM:** Aluminum after a bearish candle and after selling and resistance at 257 and support at 250

Dollar Index News

- The dollar index hovered near flat, last at 98.23, after alternating between gains and losses, as investors awaited key U.S. data including Friday's PCE inflation print and August payrolls for clearer policy cues. The euro slipped to \$1.1631, its weakest since August 6, while sterling eased to \$1.3496 and the yen traded steady at 147.45 per dollar.

- Although the dollar has weakened more than 9% this year, largely due to euro strength (+12%), markets continue to price an 84% probability of a 25 bps Fed cut in September and about 60 bps of easing by year-end, with expectations of further divergence between the Fed and ECB extending into 2026–27.

Technical Overview

- **DOLLAR INDEX :-** Technically, DXY after taking support from the lower trend line and moving toward the resistance of 99 $ and support is placed at 97.62$

Forex Insight

USDINR News

- The Indian rupee extended its losing streak for the fifth straight session, hitting a three-week low as it closed at 87.81 on NSE September futures, just shy of its lifetime low of 87.95. Pressure on the currency stemmed from heavy equity outflows and confirmation of an additional 25% U.S. tariff on Indian imports effective August 27,

- which raises total duties on several key goods to as much as 50%, threatening exports and widening the trade deficit. Despite soft crude oil prices and a subdued dollar index, sentiment around the rupee remains weak, further weighed down by Fitch's reaffirmation of India's sovereign rating at 'BBB-' on concerns of elevated government debt levels above 80% of GDP.

Technical Overview

- **USDINR :-** Technically, day trend may remain BULLISH in USDINR after approaching an important support zone of 87 level the next support level is placed at 86.3 level and resistance at 88.1

Derivative Insight

Script	Highest traded Strike Price (CE)	Highest traded Strike Price (PE)	PCR
GOLD	102000	101000	1.38
SILVER	116000	115000	0.81
CRUDE OIL	5600	5600	0.80
NATURAL GAS	250	250	0.89
GOLD MINI	101000	100500	1.06
SILVER MINI	120000	115000	0.61

Highest Traded Commodity	Silver

Lowest Traded Commodity	MENTHAOIL

Script	Price	Price Change	OI Change%	Buildup
GOLD	101542	0.45 %	5.72	Long Buildup
SILVER	116097	0.24 %	-7.30	Short unwinding
CRUDE OIL	5618	0.92 %	-1.83	Short unwinding
NATURAL GAS	254.4	7.57 %	Expiry change	Expiry change
COPPER	884.90	-0.57 %	-2.37	Long unwinding
ZINC	265.70	-1.26 %	11.81	Short Buildup
ALUMINIUM	252.80	-0.98 %	-0.77	Long unwinding

Commodity Morning Update

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