29-05-2026

Bonanza

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING

Gold Insight

Gold News

- Gold rebounded from a two-month intraday low on Thursday, gaining 1.1% as the U.S. dollar and crude oil prices eased following reports that the U.S. and Iran had reached a ceasefire extension agreement. The development improved market sentiment by reducing immediate inflation concerns and easing pressure on the interest rate outlook. According to multiple media reports, the U.S. and Iran agreed on a 60-day ceasefire extension memorandum, although the final approval from the U.S. President is still pending. Softer oil prices and a weaker dollar helped revive buying interest in bullion after recent heavy selling pressure. Meanwhile, U.S. economic data showed the PCE price index—the Federal Reserve's preferred inflation gauge—rose 3.8% year-on-year in April, in line with expectations. On a monthly basis, PCE inflation increased 0.4% after rising 0.7% in March. The data reinforced expectations that the Federal Reserve may prefer to hold interest rates steady rather than move toward further tightening.

- Additionally, China's net gold imports through Hong Kong jumped 81.2% in April from the previous month, indicating improving physical demand from the world's largest gold consumer. Despite Thursday's rebound, gold remains under pressure on a broader scale, having fallen nearly 14% since the Iran war began in late February amid elevated energy prices, inflation fears, and expectations of higher interest rates. Traders currently see a 40% probability of at least one 25-basis-point Fed rate hike this year, down from 58% a few days ago, according to CME FedWatch data.

Technical Overview

- **GOLD :** Technically, MCX Gold is witnessing a range-bound to short-term uptrend after decisively breaking out of its multi-week trading range a few sessions ago. A Pole & Flag pattern is visible on the daily chart, indicating continuation strength in prices. Any sustained move above the 161000–164500 zone is likely to push prices towards the 169000–170000 resistance area in the short term, as long as downside support at 153400–152500 remains intact. Prices trading around the 20 SMA suggest that short-term momentum is still supportive. On the indicator front, RSI is near the 53 mark with a downward slope, indicating some room for downside pressure, while MACD remains above the zero line with a green histogram, suggesting that dips continue to be viewed as accumulation opportunities.

Silver Insight

Silver News

- Silver rose 1.3% on Thursday, recovering alongside gold after sharp weakness earlier in the week. The rally was supported by easing oil prices, softer Treasury yields, and a weaker dollar following optimism around the U.S.–Iran ceasefire extension talks.

- Silver also benefited from bargain buying after recent heavy declines, with improved risk sentiment supporting the industrial metals complex. However, volatility in silver remains elevated due to its dual role as both a precious and industrial metal.

- While easing inflation concerns provided short-term relief, the broader outlook remains sensitive to interest rate expectations, dollar movement, and global growth sentiment.

Technical Overview

- **SILVER:** Silver, after breaking below its trading range on the downside, opened gap down in the previous session. However, bulls remained active at lower levels, helping prices recover and close back within the range. Immediate support is placed at 256000, while resistance is seen at 280000.

Crude Oil Insight

Crude oil News

- Oil prices ended mixed in a volatile trading session on Thursday, with Brent crude declining 0.8% while WTI finished nearly flat after giving up earlier gains. Initial strength came after Iran's Revolutionary Guards reportedly targeted a U.S. airbase in response to earlier U.S. strikes on Bandar Abbas.

- However, prices later retreated after reports emerged that the U.S. and Iran had reached a ceasefire extension agreement. According to Axios, the proposed agreement still requires final approval from the U.S. President, who reportedly wants additional time before making a final decision.

- Oil prices also faced pressure after U.S. inventory data showed crude stockpiles fell by 3.3 million barrels last week, below expectations of a 4.1 million-barrel draw. Gasoline and distillate inventories also declined.

- Despite recent volatility, supply concerns remain elevated, as the effective closure of the Strait of Hormuz has reportedly removed more than 14 million barrels per day of Middle Eastern oil supply from the market, according to the International Energy Agency (IEA).

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. Prices trading well below the 20 SMA indicate continued weakness in the short term. A sustained move below the 8400–8350 support zone could trigger a bearish move towards the medium-term base area around 7500. However, prices need to sustain above the 9100 resistance level for the next leg of the rally. RSI is near the 42 mark with a downward slope, indicating further downside potential, while MACD remains above the zero line, suggesting support at lower levels.

Natural Gas Insight

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Natural gas News

- Natural gas futures rebounded sharply on Thursday, supported by renewed supply disruption concerns and technical buying after prices witnessed a swing breakout on the upside. The short-term bullish trend remains intact after prices earlier found support near key technical demand zones.

- However, the broader market structure continues to remain range-bound and volatile. On one side, geopolitical risks in the Middle East continue to provide support, while on the other, mild U.S. weather forecasts and near-record domestic production levels continue to cap upside momentum. Prices are still broadly trading within the 265–315 range seen over the past few weeks.

Technical Overview

- **NATURAL GAS** : Technically, Natural Gas is in a sideways to uptrend phase. For the next upmove, prices need to sustain above the 305–308 support zone. If the rally continues, prices are likely to test the 320–325 zone in the short term, as long as support at 295–285–265 holds. Resistance is seen near 320–322. RSI is around 68 with an upward slope, indicating further upside potential, while MACD above the zero line suggests that dips are being accumulated.

Base Metal Insight

Base Metal News

- Copper and other base metals ended higher, though daily trading ranges have narrowed compared to previous weeks. Prices continue to trade near record highs on the domestic futures exchange, supported by demand optimism and hopes of easing geopolitical tensions. However, the broader outlook remains cautious. Concerns over global economic growth, fluctuations in the dollar index, elevated inventories, and expectations of prolonged higher interest rates continue to act as key headwinds across the base metals complex.

Technical Overview

- **Copper:** Technically, Copper remains in an uptrend, and as long as the support zone of 1330–1305–1275 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 62 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 witnessed lower-level buying after two days of profit booking, but the broader trend still remains positive. Technically, the metal continues to trade in an uptrend and has the potential to test the 375–380 zone in the short term, as long as support at 363–358–345 holds. RSI is around 62 with a downward slope, indicating some profit booking pressure, while MACD above the zero line with an increasing histogram suggests continued buying interest on dips.

- **Aluminum:** Aluminium continues to remain in a strong uptrend and is moving towards all-time highs in the domestic futures market around the 390–400 zone, as long as support at 380–365–350–345 remains intact. A sustained move above 391 could extend the rally towards 395–400. RSI is near 63 with a flat slope, indicating some room for long unwinding, while MACD remains firmly above the zero line, indicating strong buying support on dips.

- **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 followed by 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 currently showing signs of weakness. Immediate support is placed at 38000, while resistance is seen at 40000.

Dollar Index News

- **The US Dollar Index (DXY)** traded modestly softer overnight, hovering around **98.90–99.10 levels** (closing near 98.96–99.02 on May 28 with small declines of 0.1–0.3%). The greenback saw reduced safe-haven demand as diplomatic progress on Iran-Hormuz talks offered some de-escalation hopes, though expectations of higher-for-longer US interest rates amid sticky inflation risks continued to provide underlying support. The DXY has moderated from earlier 2026 peaks above 100 but remains sensitive to geopolitical headlines.

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 96.10–96.60 zone (near recent multi-week highs around 96.30–96.68 levels).** The rupee continued facing pressure from the relatively resilient dollar, elevated crude oil import costs tied 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 NDF tightening, and tools like the recent $5 billion USD/INR buy-sell swap auction to support liquidity and reserves. While some stricter FX curbs from earlier have been partially rolled back, the RBI continues aggressive vigilance to defend key psychological levels and limit rupee underperformance versus Asian peers. Domestic factors such as the inflated oil import bill have added downward bias, though consistent interventions have helped cap sharper declines and kept volatility contained. With no major domestic data 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	170000	150000	0.75
SILVER	200000	280000	0.70
CRUDE OIL	9000	8000	0.87
NATURAL GAS	300	300	2.13
GOLD MINI	160000	153000	1.27
SILVER MINI	300000	250000	1.02

Highest Traded Commodity	CRUDE OIL

Lowest Traded Commodity	GOLD

Script	Price	Price Change	OI Change%	Buildup
GOLD	156925	0.83 %	-15.47	Short Unwinding
SILVER	269537	1.25 %	0.80	Long Buildup
CRUDE OIL	8537	-0.73 %	4.37	Short Buildup
NATURAL GAS	313.9	4.18 %	17.15	Long Buildup
COPPER	1360.40	1.21 %	1.39	Long Buildup
ZINC	367.55	0.80 %	8.53	Long Buildup
ALUMINIUM	387.50	0.98 %	-11.09	Short Unwinding

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