

26 May 2024

COMMODITY WEEKLY REPORT

GOLD



Comex Gold spot has paused its bullish momentum in past week due to profit-booking post recent Fed minutes of meeting, declined by -3.35% and managed to settle on Friday at \$2333. On the other hand, after peaking at 74442, MCX Gold future has plunged for last three consecutive sessions and closed on a negative note at 71256.

Recent Fed minutes of meeting indicated that Fed Interest rates will remain higher for longer which has pressured Gold price at higher levels and price has dropped below 20-DMA level placed at 72145, which is immediate resistance mark. Imports to India, could fall by nearly a fifth in 2024 as high prices spur consumers to exchange old jewelry for new items. Gold price continued to trade in Broadening wedge formation on Daily chart. Here key support would be at 50-DMA level placed at 70349. Breach of the support will accelerate downside momentum in Gold price towards its next support marked at 69297. Dollar Index (DXY) has remained firm over the course of the week, declined marginally at 104.31 on Friday. On the other side, 10-Year Bond yields sustained over the support low of 4.31% and managed to close at 4.46%.

Overall trend in Gold price will likely to remain in Moderately bearish trend in upcoming week and Traders may keep an eye on key US economical data like PCE Price Index, Prelim GDP and Unemployment Claims which are set to release in next week for the further course of Price action in Gold.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
69,297	70,349	71,256	72,145	73,000

26 May 2024

COMMODITY WEEKLY REPORT

SILVER



After reaching its lifetime high level in Indian market, MCX Silver future has paused its upward momentum and closed on a bearish note at 90548 in past week. On the other hand, LBMA Silver spot has declined by -3.62% past week and managed to settle at \$30.35.

Like Gold, Silver price has experienced profit booking in previous week after recent Fed minutes of meeting which suggests that higher Interest rates will remain for longer duration. Silver price has reversed from its peak level of 95950 and declined towards 20-DMA level placed at 87434, which will be crucial support level to watch. Here, key resistance levels should be considered at 92840 – 94864. Immediate support is placed at SAR value on Daily chart placed at 88270.

Gold / Silver ratio which is also known as Mint Ratio, has gradually rebounded from the support low of 74.79, however remained on a negative note at 76.87 on Friday. These suggest negative biasness in Silver price for upcoming sessions.

RSI levels has remained weaken in past week on Daily as well as Weekly chart, where it has trailed towards 60 levels. Also, we can observe a convergence on Daily chart on MACD lines along side declining positive histograms. Traders may look forward for key levels for further course of price action in Silver.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
87,434	88,270	90,548	92,840	84,864

26 May 2024

COMMODITY WEEKLY REPORT

CRUDE OIL



On Friday, WTI crude oil prices rebounded from a three-month low, marking the first rise in five sessions despite subdued demand at the onset of the U.S. driving season. Crude futures reversed early losses to break a four-day losing streak, closing up \$0.85 to settle at \$77.72 per barrel. At the weekly closing price of 6,469 points, the bearish candle indicated market weakness, declining by 2.87%.

Crude oil prices erased early declines and achieved moderate gains on Friday. A weaker dollar contributed to the bullish sentiment for energy prices. Additionally, stronger-than-expected U.S. economic data signaled economic resilience, which is positive for energy demand and crude prices. Expectations for OPEC+ to maintain its crude production cuts in its upcoming June 2 meeting also supported crude prices. The daily chart revealed a hammer candle at the bottom, suggesting potential support. However, the 200 EMA on the daily chart may act as resistance in the coming days, potentially influencing crude oil prices. Analysts predict commodity support between 6,320 and 6,170, with brief resistance at 6,590.

Based on technical analysis, the recommendation for the week indicates a sideways to bullish trend for Crude Oil (MCX Jun). To make informed decisions, traders and investors should monitor price fluctuations over the next week against these predetermined levels.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
6170	6320	6471	6590	6710

26 May 2024

COMMODITY WEEKLY REPORT

NATURAL GAS



On Friday, June natural gas prices tumbled to a one-week low and closed sharply lower. Forecasts for cooler U.S. temperatures, which are expected to reduce natural gas demand from electricity providers for air-conditioning, pressured prices. U.S. natural gas futures declined for the second straight session, ending the week with a 4% loss as participants took profits ahead of the holiday weekend. The NYMEX front month settled down 5.2% at \$2.520/mmBtu, while the MCX Natural Gas June contract closed at 234.2 on Friday.

The daily chart indicates that NYMEX Natural Gas is currently trading above its 100- and 200-EMA resistance levels of \$2.17 and \$2.42, respectively. The weekly chart reveals a shooting star candle at resistance, signifying potential weakness. Similarly, the MCX Natural Gas futures market is trading below the 50-EMA resistance line at 242 levels on the hourly chart. The four-hour and daily charts show the RSI trading between 48 and 65 points. On the daily chart, resistance appears near 264 levels, with 211 and 197 serving as temporary support.

Based on technical analysis, the weekly recommendation suggests a sideways to negative market for the MCX June natural gas futures contract, indicating short opportunities on the rise. To make informed decisions, traders and investors should monitor price movements against the recommended levels in the upcoming week.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
197	211	234.20	248.10	263.50

26 May 2024

COMMODITY WEEKLY REPORT

COPPER



The continuous copper contract on NYMEX is trading down 0.8% to \$4.7525 a pound, marking the third consecutive session of decline if this trend holds. While global demand for copper has increased, slower demand growth in China is altering investor sentiment toward the metal. Copper prices dropped on Friday as concerns over higher interest rates and weak physical demand in China curbed investor enthusiasm, which had previously driven prices to record highs. MCX Copper concluded the week at 883.9, down 3.68%.

The rally in copper prices had been driven by a concentrate shortage, speculative activity, and smelter capacity cuts in China, despite weak demand in the country. However, Wednesday's release of the Federal Reserve meeting minutes dampened the recent metals rally, as hawkish comments on monetary policy weighed down base metal prices.

The 50-EMA level of 897.1 represents immediate resistance for the hourly copper price. If the market continues to trade below this resistance, copper prices may decline to the 864-850 range, remaining below the current level of 897.1.

A rising dollar makes greenback-priced commodities more expensive for holders of other currencies, contributing to the bearish sentiment. Copper prices formed a bearish candle on the weekly chart, signaling weakness, and the momentum indicator, RSI, fell from 84 to 54. According to previous technical analysis, copper is expected to move lower in the coming week if it remains above 880.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
850	864	883.90	897.10	912

Research Team

Mr. Sumeet Bagadia : Executive Director

Aamir Makda

Commodity & Currency Analyst

Diksha Mhatre
Research Support

Sadish Nadar
Research Support

Shubham Kharat
Research Support

Quick Order Placement



Any kind of queries on RESEARCH,

T.: 022 - 67079933 / 972 / 929

E.: customercare@choiceindia.com

w.: www.choiceindia.com

Connect us



Choice Equity Broking Private Limited (CEBPL): SEBI Reg. No. - Research Analyst - INH000000222
Regd. Office: Sunil Patodia Tower, J B Nagar, Andheri East, Mumbai, Maharashtra 400099.

Disclaimer:

The Information compiled by CEBPL on a best efforts basis from information CEBPL received and believed to be reliable. The information may contain errors or omissions; and is subject to change without prior or additional notice. This does not constitute a recommendation or advice by CEBPL, and CEBPL Clients may not rely upon it. CEBPL does not warrant that the information provided is accurate, timely, or complete. CEBPL Clients are urged to verify the information prior to using it in their investing and trading decisions, including, but not limited to, referral to independent financial news resources, company announcements, and regulatory filings or disclosures. "Investment in securities market are subject to market risks, read all the related documents carefully before investing". Registration granted by SEBI and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors.

Name of Compliance Officer-Prashant Salian, Email Id – Prashant.salian@ChoiceIndia.com , Contact no. 022- 67079999- Ext-2310. Name of Grievance Officer-Deepika Singhvi -Email Id- ig@choiceindia.com, Contact no. 022- 67079999- Ext-834. www.choiceindia.com