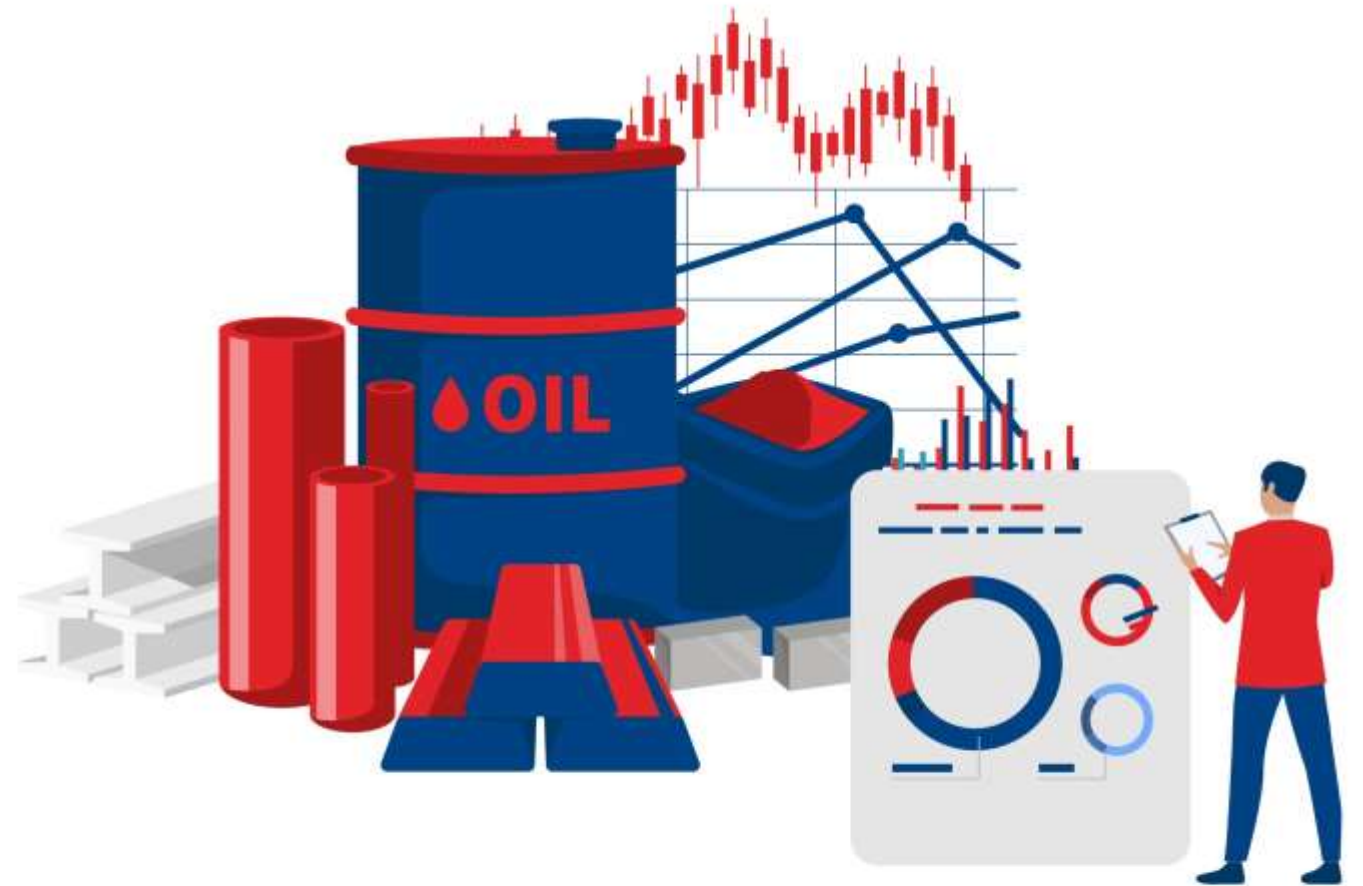




# COMMODITY WEEKLY

08 July 2024



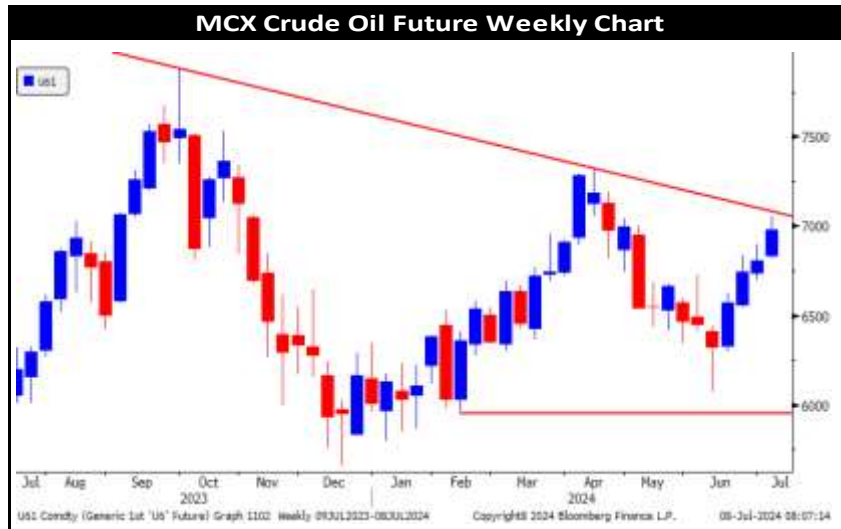
Name	05-Jul-24	28-Jun-24	Change	% Change
<b>Commodities</b>				
COMEX Gold	2392.16	2326.75	65.41	2.81%
COMEX Silver	31.219	29.1429	2.0761	7.12%
WTI Crude Oil	83.16	81.54	1.62	1.99%
Natural Gas	2.319	2.601	-0.282	-10.84%
LME Copper	9944	9599	345	3.59%
LME Zinc	3001	2938	63.5	2.16%
LME Lead	2237	2224	13	0.58%
LME Aluminium	2536	2525	11	0.44%
<b>Currencies</b>				
Dollar Index	104.875	105.866	-0.991	-0.94%
USDINR	83.4938	83.3887	0.1051	0.13%
EURUSD	1.084	1.0713	0.0127	1.19%
<b>Global Equity Indices</b>				
BSE Sensex	79997	79033	964	1.22%
Hang Seng Index	17577	17719	-141	-0.80%
Nikkei	40926	39583	1343	3.39%
Shanghai	2935	2967	-32	-1.09%
S&P 500 Index	5567	5460	107	1.95%
Dow Jones	39376	39119	257	0.66%
Nasdaq	20392	19683	709	3.60%
FTSE 500	8204	8164	40	0.49%
CAC Index	7676	7479	196	2.62%
DAX Index	18475	18235	240	1.32%

## Global Market Round Up

- Gold steadied after the biggest weekly advance in three months, with central bank purchasing patterns in focus. Gold has soared this year — hitting a record in May — as central bank buying lifted prices, with policymakers in countries including India, China and Singapore seeking to diversify reserves. The precious metal has also been supported by bets the US Federal Reserve will start to cut interest rates as inflation cools, as well as geopolitical tensions.
- U.S. stocks finished higher Friday, with the S&P 500 notching a record high to close out a week of gains following the July 4 holiday. The S&P 500 booked its 34th record close of 2024, while the Nasdaq logged its 24th all-time closing high this year, according to Dow Jones Market Data.
- The greenback fell to a fresh three-week low after Friday’s jobs report pointed to a slowing US economy, lifting the odds of two Fed rate cuts this year. The yield on 10-year US Treasuries is down eight basis points at 4.28%, while 2-year yields fall 10 basis points to 4.60%
- Odds of the U.S. central bank easing in September jumped to 79% from 66% seen before the data, CME's FedWatch Tool showed.
- China will publish its consumer price index on Wednesday, and its first batch of trade data for June on Friday.



- ▶ Gold gained nearly 3% last week after weaker US economic data raised prospects of a rate cut. The June non-manufacturing ISM showed the services sector contracted at its fastest pace since COVID, while job data confirmed a build in disinflationary pressure. Silver held above \$31 an ounce after jumping by more than 7% last week.
- ▶ Among Asian central banks, the Reserve Bank of India added more than nine tons in June, based on calculations using weekly data. That’s the most since July 2022 and means India’s reserves have expanded by 37 tons this year to 841 tons.
- ▶ China's central bank did not buy any gold in the month of June, thereby marking the second straight month of no addition to reserves. This was a pause while gold prices eased from their record highs. According to official data published Sunday, the People's Bank of China held 72.8 million troy ounces of gold at the end of June, while in May, it ended an 18-month buying spree during which gold prices surged to unprecedented levels.
- ▶ Money managers have decreased their bullish gold bets by 4,823 net-long positions to 184,710, weekly CFTC data on futures and options show. The net-long position was the most bullish in a month.
- ▶ MCX Gold price is likely to head toward a life high of 74452 in the coming weeks as it has given a breakout from four weeks’ consolidation.
- ▶ COMEX silver also placed near a month’s high and sustained above \$31. At the domestic front sustainable trade above 95000 can lead to surpassing of psychological level of 1 lakh in the coming weeks.



- ▶▶▶ Crude oil rallied last week on geopolitical tensions and falling inventories that buoyed market sentiment. Geopolitical supply risks have abated, as Ukrainian President Zelenskiy said the country is finding ways to supply gas to the European Union.
- ▶▶▶ Tropical Storm Beryl is expected to regain hurricane status and threaten US oil output.
- ▶▶▶ US oil inventories fell by 12mmbbl against expectations of 0.9mmbbl. The decline of 2.2mmbbl in gasoline stockpiles was also more than expected. This was driven by strong underlying demand.
- ▶▶▶ US road travel remains relatively strong and helped push implied gasoline demand up for the first time this year on a four-week basis. US air traffic hit a record high on 23 June.
- ▶▶▶ Strong domestic demand in Saudi Arabia tightened supply, with exports falling to 5.61mb/d in June. OPEC+ production was 26.98mb/d in June, as a few members exceeded output quotas. Iraq produced 250kb/d above its quota in June.
- ▶▶▶ Natural gas futures posted a nearly 11% weekly drop on Friday, pressured by an apparent slowdown in demand that came ahead of the Fourth of July holiday — and prices could see further declines with Hurricane Beryl forecast to hit parts of Texas, potentially slamming demand for the fuel.
- ▶▶▶ MCX Crude oil price is expected to surpass the trendline resistance placed at 7060 while Natural gas could head south towards 175.





- ▶ In the week gone, base metal prices traded higher following risk-on sentiments and expectations of lower interest rates after dismal US economic data.
- ▶ Copper prices headed towards \$10,000/t as market sentiment was buoyed by increasing expectations of monetary policy easing by the Fed. China’s improving macroeconomic outlook supported a view that copper demand is recovering in H2 2024. Bullish inventory withdrawals from the LME warehouse and retreating stocks at the SHFE.
- ▶ Fundamentals side, the rise in copper prices triggered market sentiment of fear of high prices, leading some downstream producers to increase their restocking, but as it is currently the off-season for consumption, the purchasing volume cannot sustain an increase.
- ▶ Nickel closed above USD17,000/t the week after the LME announced a suspension of nickel deliveries from a Harjavalta plant in Finland owned by Norilsk from 3 October. This plant produces 65kt of refined nickel, one of the largest refining plants in Europe.
- ▶ Zinc prices got support from Chinese smelters’ production cut. Zinc and lead output from top supplier China is under the spotlight as investors weigh further cuts from the nation’s smelters after spot treatment charges — a gauge of processing margins — plunged. So-called TC for zinc concentrate fell to the lowest level in data back in 2016, while those for lead ore dropped to the lowest since 2018 amid a global mine supply shortfall. That’s seen to support prices of the two base metals.

## Technical Levels

Commdity	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	20 DMA	50 DMA	RSI
Gold	72525	68977	70751	71901	73675	74299	76073	71781	72043	60.0
Silver	92258	81956	87107	90331	95482	97409	102560	90996	90401	58.7
Crude Oil	6949	6479	6714	6845	7080	7184	7419	6756	6614	67.9
Natural Gas	202	159	181	188	210	224	245	233	214	27.8
Copper	864	772	818	847	893	910	956	856	876	56.9
Zinc	272	245	258	267	281	286	300	261	264	68.0
Lead	190	185	187	189	191	192	195	189	191	52.1
Aluminium	233	222	228	231	237	239	245	231	236	52.4

## Commodity Movement

Commdity	High	Low	Close	% Chg.	Open Interest	Chg. In OI	% Chg. In OI	Volume	Chg. In Volume	% Chg. In Volume
Gold	73149.00	71375.00	73051.00	2.05%	13773	-389	-3%	6454	1610	33%
Silver	94186.00	89035.00	93554.00	4.48%	24411	3353	16%	24909	7936	47%
Crude Oil	7052.00	6817.00	6977.00	2.53%	6690	2207	49%	16660	673	4%
Natural Gas	216.40	194.90	195.60	-10.19%	34408	6494	23%	81275	-3331	-4%
Copper	881.70	835.70	875.25	4.13%	6755	-2141	-24%	9791	2593	36%
Zinc	277.25	263.50	275.65	3.88%	2754	161	6%	3155	-1484	-32%
Lead	190.80	188.25	190.10	0.26%	692	19	3%	364	-227	-38%
Aluminium	235.75	230.05	234.05	1.58%	4172	-161	-4%	1434	-489	-25%

**Economic Data**

Monday	Tuesday	Wednesday	Thursday	Friday
08 July	09 July	10 July	11 July	12 July
Japan: BoP CA, Trade Balance	Japan: Machin tools orders	Japan: PPI China: PPI, CPI US: MBA Mortgage, Wholesale Inventories	UK: IIP, Trade Balance, US: CPI, Initial & Continuing Jobless Claims, Monthly Budget statement	Japan: IIP India: CPI, IIP US: PPI, Uni. Of Mich. Sentiments

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