

3 August 2024

COMMODITY WEEKLY REPORT

GOLD



Comex Gold has taken a pullback on Friday due to profit-booking after making high at \$2477 and managed to settle at \$2442. MCX Gold October contract has been corrected sharply from the peak of 70965 on Friday's evening session, still closed the week on a positive note at 69789, having surged by +2.35%.

Escalating Middle Eastern hostilities, including the assassination of Hamas leaders, have increased demand for gold as a safe haven. The death of Hamas' leadership leader in Tehran, as well as threats of retaliation from Iran and its proxies, boosted gold's appeal as a geopolitical risk hedge. On the weekly chart, Gold price has formed Inside Bar formation which signify potential positive reversal in Gold price from dips. On Daily chart, price has moved Broadening Wedge formation. Key support level would be at 68370 – 67811. On the other hand, immediate resistance would be at 70965. The Dollar Index (DXY) has declined almost -1% past week and closed on a negative note at 102.79 10-Year Bond yields has plunged by 40 basis points and closed at 3.79%. These collectively suggest positive biasness in Precious metals.

The overall trend in Gold price is expected to be Moderately Bullish in the coming week, and traders should keep an eye on key US economic data such as Final Services PMI, ISM Services PMI and Unemployment claims, which are scheduled to be released next week.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
67,811	68,370	69,789	70,965	71,750

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SILVER



Like Gold, Comex Silver spot has been back & forth over the course of the week, taken a throwback from the peak and closed at \$28.54. Silver price remained negative on Friday and managed to close at 82493.

Silver price has witnessed selling pressure from the peak level of 84700 in past week due to weaker-than-expected US Manufacturing PMI data. Price has remained positive due to weaker unemployment data. On Weekly chart, Silver price has formed Bullish Spinning top formation. Here, Silver price has formed Descending broadening wedge formation and price has settled above 200-DMA level placed at 81214. Breach of this support will accelerate decline in Silver price towards its next support placed at 79361.

Gold / Silver ratio which is also known as Mint Ratio, has inclined for last 4-consecutive week, remained indecisive past week.

RSI levels remained weaken on all key timeframes, where it has trailed below 50 levels. Also, we can observe bearish crossover on MACD alongside emergence of negative histograms on Weekly chart which collectively suggest negative biasness in Silver price. Traders may look forward for key levels for further course of price action in Silver.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
79,361	81,214	82,493	84,700	86,167

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CRUDE OIL



Crude-oil futures fall for the fourth week in a row, as a weaker-than-expected US job report adds to concerns about the Chinese economy, offsetting encouraging midweek data on US inventories and an increase in geopolitical risk in the Middle East. Today's selling accelerated when the US Labour Department published a lower-than-expected 114,000 increase in payrolls for July and an increase in the unemployment rate to 4.3% from 4.1% in June. WTI settles down 3.7% at \$7352 a barrel, for a 4.7% weekly loss. MCX Crude Oil prices closed the week at approximately 6130.

Crude oil prices fell to two-month lows on Friday and finished substantially down amid concerns about US energy demand. Friday's US economic statistics on July nonfarm payrolls and June factory orders were lower than predicted, indicating that the US economy is losing pace. Furthermore, Friday's selloff in the S&P 500 to an 8-week low undermines confidence in the economic outlook and energy demand, which is unfavorable for oil prices.

From a technical standpoint, the daily chart reveals a collapse of the symmetrical triangle, and the 200-day moving average may present additional resistance in the coming days. Crude oil's key resistance levels are from 6,290 to 6,420, with a support level of 5,980. The weekly Crude Oil (MCX August) forecast indicates a downward trend, and traders and investors should compare price movements to established levels to make informed judgements.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
5720	5980	6130	6290	6420

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NATURAL GAS



U.S. natural gas futures are hovering around \$2/mmBtu, with a drop in near-term cooling demand and a rise in output keeping buyers away. The weekly EIA report on Thursday was beneficial for natural gas prices because natural gas stocks climbed by +18 bcf for the week ended July 26, which was lower than expectations of +31 bcf and lower than the 5-year average build for this time of year of +33 billion cubic feet. As of July 26, natural gas stockpiles were up 8.3% year on year and 15.7% over the 5-year seasonal normal, indicating ample supply. The NYMEX front month is up 1.5 percent to \$1.997 per mmBtu. The MCX Natural Gas August contract settled at 166 on Friday.

A decrease in US electricity output is unfavorable for natural gas demand from utility providers; the overall trend remains adverse. Technical analysis shows that NYMEX Natural Gas is trading below the 100-day EMA support level of \$2.21 and the 200-day EMA resistance line of \$2.38. The RSI on both daily and four-hour charts ranges between 35 and 40 points, indicating a neutral to oversold position. The daily chart shows key resistance levels at 176 and 188.2, with 152.2 providing temporary resistance.

According to technical analysis, the weekly prognosis for the MCX August Natural Gas futures contract indicates a sideways to bullish trend. Traders and investors should keep an eye on price swings over the next week and compare them to the recommended levels before making any choices.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
140.50	152.20	166	176	188.20

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COPPER



Copper futures remained below \$4.1 a pound, nearing their lowest level in four months, as weak manufacturing data in the US and China raised demand concerns in two of the world's largest economies. ISM data showed that US industrial production dropped more than predicted in July, as high borrowing costs continued to impact on demand. Except for safe havens such as gold, global commodity markets fell generally following the US report. Meanwhile, China PMI data showed lower construction momentum, which supported copper's negative demand outlook. MCX Copper closed at 795.8 this week.

The 100-EMA level of 808.6 provides immediate resistance to the hourly copper price. If the market continues to trade below this barrier, copper prices could fall to the 780-767.5 range, staying below the current level of 792.

A weaker dollar weighed on metal prices, making commodities purchased in US dollars more affordable for buyers in other currencies. Copper prices fell Friday, despite the dollar index reaching a four-and-a-half-month low. Copper prices produced a doji candle on the weekly chart, signalling indecision, while the RSI, a momentum indicator, dropped below 50. According to prior technical analysis, copper is expected to trade sideways to negative this week if it remains below 792.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
767.50	780	795.80	808.60	820

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