6 July 2024

COMMODITY WEEKLY REPORT

GOLD

Comex Gold spot traded back and forth during the week, holding above $2350 and closing on a positive note at $2397. On the other hand, the MCX Gold August contract has traded with a positive bias throughout the week; nevertheless, the price has broken out and settled at 73038.

Gold prices stayed optimistic as the dollar fell, and June Non-Farm Payroll exceeded expectations, but revisions for April and May show an accelerated labour market downturn. Traders expect the Federal Reserve (Fed) to lower interest rates in September, creating a headwind for the US dollar and a tailwind for gold. On the daily chart, gold prices have broken out of the falling channel pattern. If the price can maintain its position above the breakout line, the upward momentum in the gold price will intensify. The immediate support level would be at the 50-DMA level, which is set at 71253. The US Dollar Index (DX) is down 0.24% at 104.87, while the US 10-year benchmark yield has down more than six basis points (bps) to 4.284%.

The overall direction in gold prices is projected to be Moderately Bullish during the next week, with traders keeping a watch on key US economic data such as Core CPI and CPI. Along with significant jobless claims such as US Unemployment Change, Other relevant indicators include US Core PPI and Prelim UoM Consumer mood, which are due to be issued next week.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
72,078	72,606	73,038	73.617	74,207

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SILVER

The MCX Silver September contract has been traded back and forth throughout the course of the week, giving fresh breakthrough and managing to settle at 93595. On the other side, the Comex Silver spot found support at $30.45 and rebounded to $31.69 on Friday.

Silver rose to $31.6 per ounce in July, the highest since the 11-year highs of $32 in late May, on rising expectations that the Fed will begin its reducing cycle in September, providing support for precious metals. The Dollar Index fell during the week, closing at 104.87. On the daily chart, silver price has broken out of the Flag & Pole pattern and has persisted above the 50-DMA level at 91,884 on the 4-hourly charts. Sustaining above this support level will accelerate the upward trend of the silver price towards its next major resistance level at 95930. Keys support would be at 92,330 to 90,748.

The Gold/Silver ratio, commonly known as the Mint Ratio, has gone downward and lost 3 points last week to close at 76.57, indicating a bullish bias in the silver price.

RSI levels stayed above the accumulation zone on the 4-hourly and daily charts, with trailing above 60 levels. In addition, we can see crossover on MACD lines and positive histograms on the Daily chart, which together signal a favourable bias in the Silver price. Traders may be looking for critical levels to guide future price action in Silver.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
90,748	92,330	93,595	95,130	96.394

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CRUDE OIL

WTI crude futures declined 0.8% to $83.16 per barrel on Friday, as the prospect of a Gaza truce eclipsed strong summer fuel demand and expected supply interruptions from hurricanes in the Gulf of Mexico. Nonetheless, oil rose for the fourth week in a row, by around 3%, boosted by dropping US crude stocks and robust seasonal demand. WTI crude settles at $83.16 a barrel, representing a 2% weekly gain. The bullish candle gained 2.53% to a weekly closing price of 6,965 points, indicating market strength.

On Friday, crude oil lost its early gains and finished modestly down. Crude prices fell Friday on concerns about US energy demand after the June payroll data revealed the US unemployment rate unexpectedly increased to a two-and-a-half-year high, indicating labour market weakness that is bad for the economy and energy consumption. Crude prices fell further on Thursday after Saudi Aramco reduced pricing for all of its oil grades to Asia for August delivery, marking the second consecutive month of price cuts. The daily chart revealed a shooting star candle at resistance, indicating that the market may correct. However, in the next days, the 200 EMA on the 4-hour chart could provide support, influencing crude oil prices. Commodity support levels vary from 6,705 to 6560, with a brief resistance level at 7,105.

The weekly Crude Oil (MCX July) forecast is based on technical analysis, indicating a sideways to downward trend. Traders and investors should compare price fluctuations over the coming week to established levels in order to make informed decisions.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
6560	6705	6965	7105	7260

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COMMODITY WEEKLY REPORT

NATURAL GAS

U.S. natural gas futures extend their losing streak to eight sessions, as increasing U.S. output puts pressure on spot prices and near-term weather forecasts reduce cooling demand, though temperatures are expected to rise next week. Hurricane Beryl is expected to hit the Gulf of Mexico as a tropical storm and then strengthen into a hurricane before making a second landfall between Mexico and south Texas. While the storm may have an impact on production and LNG exports, it is also anticipated to reduce demand due to lower temperatures and power outages. Nat-gas prices continue under pressure due to plentiful supply; as of June 28, US nat-gas inventories were +18.8% higher than their 5-year seasonal average. The Nymex front month is down 4.1% to $2.319 per mmBtu. The MCX Natural Gas July contract closed Friday at 195.6.

The daily chart shows NYMEX Natural Gas trading below the 5100- and 200-EMA resistance levels of $2.52 and $2.46, respectively. The weekly chart indicates a bearish candle at the 50 EMA, indicating a possible breakdown. Similarly, on the daily chart, the MCX Natural Gas futures market is trading below its descending triangle formation, which indicates weakness. The four-hour and daily charts show an RSI range of 25 to 35 points. On the daily chart, support is between 182.7 and 173.2, with 202.6 serving as temporary resistance.

Based on technical analysis, the weekly recommendation for the MCX July Natural Gas futures contract points to a bearish market trend in the next days. Traders and investors can make better selections by comparing price fluctuations in the coming week to the recommended levels.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
173.2	182.7	195.6	202.6	213.2

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COPPER

Copper prices in London hit their highest in more than three weeks on Friday, on course for the first weekly gain in seven weeks, with the outlook for U.S. interest rates supporting sentiment towards growth-dependent metals. Copper futures climbed to around $4.60 per ounce on Friday, hitting a four-week high as rising odds that the US Federal Reserve could start cutting interest rates as early as September and hopes for more stimulus measures in top consumer China lifted sentiment. Over the past 4 weeks, Copper lost 1.52%, and in the last 12 months, it increased 23.61%. MCX Copper closed this week at 875.4, up 4.13%.

The 100-EMA level of 856 provides immediate support on the hourly copper price. If the market continues to trade over this barrier, copper prices could rise to the 887-903 zone while remaining above the current level of 865..

A weakening dollar weighed on metal prices, making commodities purchased with US dollars less expensive for buyers in other currencies. Copper prices formed a Bullish Engulfing candle on the weekly chart, indicating strength, while the RSI, a momentum indicator, created a foundation around 40 & currently at 58 levels. According to prior technical analysis, copper is projected to advance more this week if it remains over 865 levels.

Support 2	Support 1	CMP	Resistance 1	Resistance 2
851	865	875.4	887	903

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