

COMMODITY DAILY REPORT (Metals & Energy)

6th November, 2020

INTERNATIONAL MARKETS

COMEX / NYMEX / ICE (PRECIOUS METALS AND ENERGY)

COMMODITY	CONTRACT	EXPIRY DATE	CLOSING PRICE
Silver	December	29-Dec-20	25.19
Gold	December	29-Dec-20	1946.80
Crude Oil	December	20-Nov-20	38.79
Brent Crude Oil	December	30-Nov-20	41.30
Natural Gas	December	25-Nov-20	2.94

CURRENCY / COMMODITY INDEX

CURRENCY (Spot)	CURRENT PRICE
USD / INR*	73.91
Dollar Index	92.67
EUR / USD	1.18
CRB Index	158.20

LME (BASE METALS) (\$ per tonnes)

COMMODITY	CONTRACT	CLOSING PRICE
Copper	Cash	6798.00
Aluminum	Cash	1885.50
Zinc	Cash	2593.50
Lead	Cash	1836.50
Nickel	Cash	15450.00

SHFE (BASE METALS) (Yuan per tonnes)

COMMODITY	MONTH	CLOSING PRICE
Copper	16-Nov-20	51510.00
Aluminum	16-Nov-20	15000.00
Zinc	16-Nov-20	19975.00
Lead	16-Nov-20	14325.00

DOMESTIC MARKETS

MCX / ICEX

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
Bulldex	23-Nov-20	16003.85	Sideways	25.08.20	15750.00	-
Silver	4-Dec-20	64253.00	Up	18.05.20	47698.00	58200.00
Gold	4-Dec-20	52055.00	Up	23.03.20	41163.00	49500.00
Crude Oil	19-Nov-20	2871.00	Sideways	08.09.20	2705	-
Natural gas	24-Nov-20	221.70	Up	23.09.20	154.20	200.00
Diamond 1ct (ICEX)	4-Dec-20	3544.25	Sideways	03.07.20	3697.35	-

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
Copper	27-Nov-20	527.95	Up	12.10.20	525.00	490.00
Aluminum	27-Nov-20	154.95	Up	10.06.20	138.40	136.00
Zinc	27-Nov-20	206.10	Up	11.05.20	156.60	182.00
Lead	27-Nov-20	150.15	Up	28.07.20	148.05	140.00
Nickel	27-Nov-20	1161.30	Up	12.10.20	1105.00	1040.00
Steel long (ICEX)	7-Dec-20	35290.00	Sideways	16.06.20	30210.00	-

**One has to follow the trend and see the price only at closing. This is not for Intra day trading.

All closing prices as on 05.11.20

Market Update (Bullions)

Bullion counter may continue to trade with bullish bias where Gold may test 52400 and taking support near 51700 while silver may trade with higher volatility where it may test 65200 and taking support near 63700. Gold prices eased on Friday on an uptick in the dollar, with investors eyeing U.S. presidential election results which suggest Democrat contender Joe Biden is inching closer to victory, though the prospect of a contested result remained. Spot gold fell 0.4% to \$1,940.86 per ounce after recording its best day since April 6, jumping 2.4% and hitting an over one-month high in the previous session. It was also on track for its best week since late July, rising 3.5%. U.S. gold futures fell 0.1% to \$1,944.70 per ounce. Biden inched closer to winning the White House, though the outcome hinged on a dwindling set of uncounted votes in a handful of battleground states. President Donald Trump also escalated his efforts to cast doubt on the election's integrity. With Democrats trying to flip the traditionally Republican state of Georgia, delayed runoffs could leave control of the Senate up in the air until two days after the next Congress is due to be sworn in on Jan. 3, creating a cloud of uncertainty for the next U.S. president's legislative agenda. The dollar index was up by 0.2%, making bullion less attractive for other currency holders. The Federal Reserve kept its loose monetary policy intact on Thursday and pledged once again to do whatever it can in the next few months to sustain a U.S. economic recovery. The Bank of England increased its already huge bond-buying stimulus by a bigger-than-expected 150 billion pounds (\$195 billion) as it prepared for economic damage from new coronavirus lockdowns and the looming risk of Brexit. Silver fell 1.6% to \$24.93 an ounce.

Market Update (Base Metals)

Base metals may continue to trade with sideways to bullish bias but some correction is expected from higher levels where Copper can move towards 530 and taking support near 524. Shanghai base metals traded mixed on Friday morning, as investors continue to wait for a result from the US election. Meanwhile, their counterparts on the LME were mostly higher. Copper volumes on world exchanges are climbing again as a buoyant economic recovery from COVID-19 in top metals consumer China spurred speculators to pile back into the market. A union of workers at Chile's Candelaria copper mine, owned by Canada's Lundin Mining Corp, said late on Tuesday it had rejected yet another contract offer from the company and will push forward with a nearly month-long strike that has shut down the mine. Zinc may move towards 208 and taking support near 205. Lead can move towards 151 while taking support near 149. Zinc mine production is seen sliding by 4.4% and lead by 4.7% due to lockdowns in key producer countries such as Peru, Bolivia and Mexico. Nickel trade with sideways to bullish bias where it may take support near 1155 and resistance near 1175. The prices may get support supply worries after the top nickel ore producer in the Philippines suspended operations at its Hinatuan mine, until Nov. 10, after 19 employees tested positive for the virus. Aluminum may move towards 156 while taking support near 153. Aluminum Corp of China Ltd, or Chalco, said on Tuesday it would sell a 135,000 tonnes annual aluminium smelting capacity quota to Yunnan Aluminium, continuing the sector's migration to China's hydropower-rich southwest.

Market Update (Energy)

Crude oil may continue to trade with bearish bias where support is seen near 2780 and resistance is seen near 2890. U.S. oil fell nearly 1% on Friday as new lockdowns went into effect in Europe raising questions over the outlook for demand for crude, while ballots were still being counted in the U.S. election with its outcome undecided, keeping markets on edge. Italy recorded its highest daily number of infections on Thursday and the United States surpassed 100,000 new cases of COVID-19 in one day last week, a record. The European Union's executive commission also cut its economic forecast and predicted the bloc won't see a rebound to pre-virus levels until 2023. Vote counting and trends from the U.S. election point to the Republicans retaining control of the Senate, while Democrats are expected to take a slimmed majority in the House of Representatives, dashing hopes for a large stimulus package, another factor weighing on oil. The Organization of the Petroleum Exporting Countries and allies including Russia, a group known as OPEC+, are expected to delay bringing back 2 million barrels per day of supply in January, given the decline in demand from new COVID-19 lockdowns. Natural gas may trade with higher volatility may extend the bullish rally where resistance is seen near 224 and support near 217. Natural gas prices moved slightly lower on Thursdays following the inventory report from the Department of Energy. The weather is expected to be much colder than normal in the western part of the US and much warmer than normal on the east coast which should net reduce heating demand.

KEY ECONOMIC RELEASES

IST	Economic releases	Importance	Expected	Previous	Impact on Commodity	Adverse/Favourable / Neutral
19:00	US Average Hourly Earnings (MoM) (Oct)	High	0.2%	0.1%	Metal & Energy	Favourable
19:00	US Average Hourly Earnings (YoY) (Oct)	High	4.6%	4.7%	Metal & Energy	Adverse
19:00	US Manufacturing Payrolls (Oct)	High	50K	66K	Metal & Energy	Adverse
19:00	US Nonfarm Payrolls (Oct)	High	600K	661K	Metal & Energy	Adverse
19:00	US Private Nonfarm Payrolls (Oct)	High	700K	877K	Metal & Energy	Adverse
19:00	US Unemployment Rate (Oct)	High	7.7%	7.9%	Metal & Energy	Favourable

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