

## COMMODITY DAILY REPORT (Metals & Energy)

7th August, 2020

### INTERNATIONAL MARKETS

#### COMEX / NYMEX / ICE (PRECIOUS METALS AND ENERGY)

COMMODITY	CONTRACT	EXPIRY DATE	CLOSING PRICE
Silver	September	28-Sep-20	28.40
Gold	October	28-Oct-20	2058.40
Crude Oil	September	20-Aug-20	41.95
Brent Crude Oil	September	28-Aug-20	45.09
Natural Gas	September	27-Aug-20	2.17

#### CURRENCY / COMMODITY INDEX

CURRENCY (Spot)	CURRENT PRICE
USD / INR*	74.89
Dollar Index	92.82
EUR / USD	1.19
CRB Index	157.95

#### LME (BASE METALS) (\$ per tonnes)

COMMODITY	CONTRACT	CLOSING PRICE
Copper	Cash	6453.50
Aluminum	Cash	1722.00
Zinc	Cash	2377.50
Lead	Cash	1913.00
Nickel	Cash	14381.00

#### SHFE (BASE METALS) (Yuan per tonnes)

COMMODITY	MONTH	CLOSING PRICE
Copper	17-Aug-20	51390.00
Aluminum	17-Aug-20	14665.00
Zinc	17-Aug-20	19310.00
Lead	17-Aug-20	16140.00

### DOMESTIC MARKETS

#### MCX / ICEX

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
Silver	4-Sep-20	76052.00	Up	18.05.20	47698.00	50000.00
Gold	5-Oct-20	56015.00	Up	23.03.20	41163.00	45000.00
Crude Oil	19-Aug-20	3152.00	Up	05.05.20	1869.00	2860.00
Natural gas	26-Aug-20	163.50	Up	03.08.20	159.60	140.00
Diamond 1ct (ICEX) *	4-Sept-20	3324.85	Sideways	03.07.20	3697.35	

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
Copper	31-Aug-20	515.95	Up	07.04.20	392.00	450.00
Aluminum	31-Aug-20	146.90	Up	10.06.20	138.40	132.00
Zinc	31-Aug-20	191.25	Up	11.05.20	156.60	150.00
Lead	31-Aug-20	154.65	Up	28.07.20	148.05	140.00
Nickel	31-Aug-20	1101.90	Up	22.07.20	1026.60	975.00
Steel long (ICEX) *	4-Sept-20	31660.00	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 06.08.20

\*Closing prices as on 05.08.20

### Market Update (Bullions)

Bullion counter may extend the rally where Gold may test 56400 and taking support near 55200 while silver may test 77300 and taking support near 75200. Gold was up on Friday morning in Asia, reaching another record high as U.S. treasury yields remain low and monetary policy accommodative. The deterioration of the global economy has pushed treasury yields down to their lowest levels in five months, reducing the opportunity cost of holding non-interest bearing gold. The greenback, although up today, is also heading for a seventh consecutive weekly decline, making gold less expensive for holders of other currencies. Meanwhile, the U.S. Congress has yet to conclude negotiations on another COVID-19 aid package even as President Donald Trump said he would take executive action if the standstill persists. The last package expired on July 31 and without some kind of help the U.S. economic recovery could be put in doubt, leading to further drops in interest rates. The U.S. payrolls report for July is forecast to show a slowdown in job gains, underlining weak prospects for a demand recovery as lawmakers bicker over fresh stimulus measures. .

### Market Update (Base Metals)

Base metals may trade with sideways to bullish bias. Copper can move towards 519 and taking support near 510. Base metals on the SHFE mostly increased on Friday morning, holding onto overnight gains, and lead surged nearly 2.5%. Meanwhile, on the LME, base metals prices were mixed. Copper prices drifted lower on Thursday as investors questioned whether demand would improve enough to extend a rally beyond two-year highs reached last month. Orders for German-made goods rose sharply in June but remained far below pre-pandemic levels, according to data that fits into a wider rebound in global manufacturing activity. Researchers Antaika said China would import 3.5 million tonnes of copper this year, down from 3.55 million tonnes in 2019. Copper output in Chile and Peru, the biggest producers, had bounced back from coronavirus disruption by June, government data showed. Zinc may move towards 193 and taking support near 189. Supply of zinc has been impacted by mining curbs in Peru. Lead can move towards 157 while taking support near 152. Nickel trade bullish bias where it may take support near 1070 and resistance near 1120. Aluminum may move towards 148 while taking support near 144. Canada will impose retaliatory tariffs in response to U.S. President Donald Trump's move on Thursday to reimpose 10% tariffs on some Canadian aluminum products, Deputy Prime Minister Chrystia Freeland said in a statement.

### Market Update (Energy)

Crude oil may trade with sideways to bullish bias where it may take support near 3080 and resistance is seen near 3260. Oil headed for its best week since early July, despite stumbling ahead of U.S. jobs numbers that are expected to paint a gloomy picture of the labor market in the world's biggest economy. Still, U.S. crude futures are up more than 4% on the week, lifted by a further decline in American oil stockpiles. Iraq will cut production in August by an additional 400,000 barrels a day to compensate for missing its production target in previous months, the state oil-marketing organization Somo said Thursday. The move comes as Saudi Arabia cut pricing to Asia and Europe less than expected and left prices for the U.S. unchanged at the highest levels in months. Saudi Arabia's state oil giant Aramco cut its September official selling prices (OSPs) for its Arab light crude for deliveries to Asia by 30 cents a barrel from August, and left its prices to the US unchanged from the previous month. This lent strength to the market, quelling concerns that the producer could slash prices, spiking another price war. Natural gas may post correction where resistance is seen near 166 taking support near 154.

**KEY ECONOMIC RELEASES**

IST	Economic releases	Importance	Expected	Previous	Impact on Commodity	Adverse/Favourable / Neutral
18:00	US Average Hourly Earnings (MoM) (Jul)	High	-0.5%	-1.2%	Metal & Energy	Favourable
18:00	US Average Hourly Earnings (YoY) (Jul)	High	4.2%	5.0%	Metal & Energy	Adverse
18:00	US Nonfarm Payrolls (Jul)	High	1,600K	4,800K	Metal & Energy	Favourable
18:00	US Unemployment Rate (Jul)	High	10.5%	11.1%	Metal & Energy	Favourable
19:30	US Wholesale Inventories (MoM)	High	-2.0%	-1.2%	Metal & Energy	Favourable

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