

COMMODITY DAILY REPORT (Metals & Energy)

5th August, 2020

INTERNATIONAL MARKETS

COMEX / NYMEX / ICE (PRECIOUS METALS AND ENERGY)

COMMODITY	CONTRACT	EXPIRY DATE	CLOSING PRICE
Silver	September	28-Sep-20	26.03
Gold	October	28-Oct-20	2008.50
Crude Oil	September	20-Aug-20	41.70
Brent Crude Oil	September	28-Aug-20	44.43
Natural Gas	September	27-Aug-20	2.19

CURRENCY / COMMODITY INDEX

CURRENCY (Spot)	CURRENT PRICE
USD / INR*	75.06
Dollar Index	93.15
EUR / USD	1.18
CRB Index	155.89

LME (BASE METALS) (\$ per tonnes)

COMMODITY	CONTRACT	CLOSING PRICE
Copper	Cash	6440.00
Aluminum	Cash	1709.50
Zinc	Cash	2304.00
Lead	Cash	1834.00
Nickel	Cash	13888.00

SHFE (BASE METALS) (Yuan per tonnes)

COMMODITY	MONTH	CLOSING PRICE
Copper	17-Aug-20	51590.00
Aluminum	17-Aug-20	14945.00
Zinc	17-Aug-20	18855.00
Lead	17-Aug-20	15740.00

DOMESTIC MARKETS

MCX / ICEX

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
Silver	4-Sep-20	69797.00	Up	18.05.20	47698.00	50000.00
Gold	5-Oct-20	54551.00	Up	23.03.20	41163.00	45000.00
Crude Oil	19-Aug-20	3151.00	Up	05.05.20	1869.00	2860.00
Natural gas	26-Aug-20	164.10	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	507.50	Up	07.04.20	392.00	450.00
Aluminum	31-Aug-20	146.05	Up	10.06.20	138.40	132.00
Zinc	31-Aug-20	185.60	Up	11.05.20	156.60	150.00
Lead	31-Aug-20	150.60	Up	28.07.20	148.05	140.00
Nickel	31-Aug-20	1066.60	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 04.08.20

***Closing prices as on 03.08.20**

Market Update (Bullions)

Bullion counter may extend the rally where Gold may test 54380 and taking support near 53600 while silver may test 70300 and taking support near 67200. Safe-haven gold scaled an all-time peak on Wednesday, extending a record run above the \$2,000 mark on a weaker dollar and bets for more stimulus measures to revive a pandemic-ravaged economy. The rally was driven by a belief that gold will hold its value better than other assets as fallout from COVID-19 ripples through the global economy. Central bank stimulus has pushed inflation-adjusted U.S. bond yields to record lows, making non-yielding gold more attractive, and the dollar has weakened sharply, making bullion cheaper for buyers with other currencies. U.S. manufacturing activity accelerated to its highest level in nearly 1-1/2 years in July as orders increased despite a resurgence in new COVID-19 infections. The top Democrats in the U.S. Congress and White House negotiators said they had made progress in talks on a new coronavirus relief bill. The U.S. economy, battered by resurgence in the spread of COVID-19, needs increased government spending to tide over households and businesses and broader use of masks to better control the virus, U.S. central bankers said.

Market Update (Base Metals)

Base metals may trade with sideways to bullish bias. Copper can move towards 511 and taking support near 503. Base metals prices were mixed on Wednesday morning in SHFE. Chile produced 466,500 tonnes in copper content in the month, down from 469,900 tonnes a year before, according to Cochilco. Peru, a top global metals exporter, saw its output of copper, gold and zinc nosedive in the first half of 2020, ravaged by restrictions put in place to curb the coronavirus outbreak, the government said on Tuesday. The world's No. 2 copper producer said production of the red metal plunged 20.4% in the first half of 2020 versus the same period in 2019. However fading supply-chain issues may be weighing on copper as Peruvian production increased significantly over the last 3 months. Zinc may move towards 187 and taking support near 183. Lead can move towards 153 while taking support near 149. China's imports of refined zinc have started picking up over the last two months, with June's tally of 64,700 tonnes the highest monthly total since August last year. Nickel trade bullish bias where it may take support near 1045 and resistance near 1086. Indonesian mining and processing firm Antam's nickel ore production fell to 1.37mn wet metric tonnes (wmt) from 4.79mn wmt in the first six months of 2019, as a result of the ban on nickel ore exports and Sales fell to 167,606wmt to domestic customers from 3.9mn wmt, mainly to foreign customers. Aluminum may move towards 148 while taking support near 144.

Market Update (Energy)

Crude oil may trade with sideways to bearish bias where it may take support near 2980 and resistance is seen near 3200. Oil prices fell for the first time in four days on Wednesday, pulling back from as much as five-month highs as mounting coronavirus cases worldwide and in the United States undercut market confidence in a pickup in fuel demand. There's still quite a bit of evidence of the oil demand recovery stalling in quite a few markets with a resurgence of COVID-19. Denting fuel demand, cities from Manila to Melbourne are tightening lockdowns to battle new infections, while Norway has stopped cruise ship traffic in the latest European travel alarm. As per API Crude inventories were down by 8.6 million barrels in the week to Aug. 1 to 520 million barrels, compared with analysts' expectations for a drop of 3 million barrels. Official figures from the U.S. Department of Energy are due out later on Wednesday. Natural gas may trade with bullish bias where resistance is seen near 166 taking support near 154. Natural gas prices continued to bull run, as warmer than normal weather is expected to cover most of the mid-west and east coast over the next 6-10 and 8-14 days generated a surge in prices that buoy natural gas more than 4%.

KEY ECONOMIC RELEASES

IST	Economic releases	Importance	Expected	Previous	Impact on Commodity	Adverse/Favourable / Neutral
17:45	ADP Nonfarm Employment Change (Jul)	High	1,500K	2,369K	Metal & Energy	Adverse
18:00	US Trade Balance (Jun)	High	-50.10B	-54.60B	Metal & Energy	Favourable
19:30	US Markit Composite PMI (Jul)	High	50.0	50.0	Metal & Energy	Neutral
19:30	US Services PMI (Jul)	High	49.6	49.6	Metal & Energy	Neutral
19:30	US ISM Non-Manufacturing PMI (Jul)	High	55.0	57.1	Metal & Energy	Adverse
20:00	US Crude Oil Inventories	High	-3.267M	-10.612M	Energy	Favourable
20:00	US Gasoline Inventories	High	0.627M	0.654M	Energy	Neutral

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