

## COMMODITY DAILY REPORT (Metals & Energy)

6th October, 2020

### INTERNATIONAL MARKETS

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

| COMMODITY       | CONTRACT | EXPIRY DATE | CLOSING PRICE |
|-----------------|----------|-------------|---------------|
| Silver          | October  | 28-Oct-20   | 24.50         |
| Gold            | November | 25-Nov-20   | 1916.10       |
| Crude Oil       | November | 20-Oct-20   | 39.22         |
| Brent Crude Oil | December | 30-Oct-20   | 41.29         |
| Natural Gas     | November | 28-Oct-20   | 2.62          |

#### CURRENCY / COMMODITY INDEX

| CURRENCY (Spot) | CURRENT PRICE |
|-----------------|---------------|
| USD / INR*      | 73.11         |
| Dollar Index    | 93.41         |
| EUR / USD       | 1.18          |
| CRB Index       | 153.10        |

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

| COMMODITY | CONTRACT | CLOSING PRICE |
|-----------|----------|---------------|
| Copper    | Cash     | 6507.50       |
| Aluminum  | Cash     | 1741.50       |
| Zinc      | Cash     | 2298.00       |
| Lead      | Cash     | 1744.50       |
| Nickel    | Cash     | 14360.00      |

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

| COMMODITY | MONTH     | CLOSING PRICE |
|-----------|-----------|---------------|
| Copper    | 15-Oct-20 | 51010.00      |
| Aluminum  | 15-Oct-20 | 14410.00      |
| Zinc      | 15-Oct-20 | 19400.00      |
| Lead      | 15-Oct-20 | 15105.00      |

### DOMESTIC MARKETS

#### MCX / ICEX

| COMMODITY          | EXPIRY DATE | CLOSING PRICE | TREND**  | DATE TREND CHANGED | RATE TREND CHANGED | CLOSING STOP LOSS |
|--------------------|-------------|---------------|----------|--------------------|--------------------|-------------------|
| Bulldex            | 23-Oct-20   | 15532.91      | Sideways | 25.08.20           | 15750.00           | -                 |
| Silver             | 4-Dec-20    | 61941.00      | Up       | 18.05.20           | 47698.00           | 58200.00          |
| Gold               | 5-Dec-20    | 50626.00      | Up       | 23.03.20           | 41163.00           | 49500.00          |
| Crude Oil          | 19-Oct-20   | 2899.00       | Sideways | 08.09.20           | 2705               | -                 |
| Natural gas        | 27-Oct-20   | 195.40        | Up       | 23.09.20           | 154.20             | 150.00            |
| Diamond 1ct (ICEX) | 5-Nov-20    | 3161.15       | Sideways | 03.07.20           | 3697.35            | -                 |

| COMMODITY         | EXPIRY DATE | CLOSING PRICE | TREND**  | DATE TREND CHANGED | RATE TREND CHANGED | CLOSING STOP LOSS |
|-------------------|-------------|---------------|----------|--------------------|--------------------|-------------------|
| Copper            | 30-Oct-20   | 509.80        | Sideways | 01.10.20           | 510.00             | -                 |
| Aluminum          | 30-Oct-20   | 144.80        | Up       | 10.06.20           | 138.40             | 136.00            |
| Zinc              | 30-Oct-20   | 186.05        | Up       | 11.05.20           | 156.60             | 182.00            |
| Lead              | 30-Oct-20   | 143.90        | Up       | 28.07.20           | 148.05             | 140.00            |
| Nickel            | 30-Oct-20   | 1062.20       | Sideways | 01.10.20           | 1050.00            | -                 |
| Steel long (ICEX) | 5-Nov-20    | 32850.00      | 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 05.10.20**

### Market Update (Bullions)

Bullion counter may post correction from higher levels where Gold may test 49900 and facing resistance near 50900 while silver may test 61400 and facing resistance near 62600. Gold prices were steady on Tuesday, having hit a near-two week high in the previous session, as a softer dollar countered pressure from an upbeat risk sentiment. Spot gold traded at \$1,912.49 per ounce. U.S. gold futures were little changed at \$1,919.30. Asia's stock markets edged higher on Trump's health update and prospects of a U.S. stimulus package, while the dollar index dipped 0.1% against rivals. U.S. House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin spoke on the coronavirus economic relief and were preparing to talk again Tuesday, continuing their work towards a deal on legislation. Chicago Federal Reserve Bank President Charles Evans said on Monday he expects U.S. inflation to reach 2% by 2023 and wants to push it to 2.5% to offset years of below-target price rises. The euro zone's economic recovery faltered in September, with growing evidence that sectors and countries in the bloc are diverging as a resurgence of the novel coronavirus forces the reimposition of restrictions on activity. Silver rose 0.1% to \$24.37 per ounce.

### Market Update (Base Metals)

Base metals may continue to trade with bullish bias while Chinese markets will be closed Oct. 1-8 for the Golden Week holiday. Copper can move towards 515 and taking support near 505. Copper prices fell on Monday as signs of weakening demand outweighed the positive mood on wider markets after reports that U.S. President Donald Trump may soon be released from hospital, where he is being treated for COVID-19. Signs of slowing demand in top consumer China and rising copper stockpiles are weighing on prices lower. Cash copper on the LME has flipped to a discount versus the three-month contract after LME warehouse stocks more than doubled to around 160,000 tonnes last week, easing a squeeze on nearby supply. A workers union at the Candelaria copper mine in Chile rejected a contract offer from Canada's Lundin Mining, union officials said on Monday, raising the possibility of a strike. Zinc may move towards 188 and taking support near 184. Lead can move towards 146 while taking support near 142. Nickel trade with sideways to bearish bias where it may take support near 1048 and resistance near 1080. Reuters reported that Indonesia is in early discussions with Tesla about a potential investment. The country is keen to develop a full supply chain for nickel for extracting battery chemicals and building electric vehicles. Aluminum may move towards 147 while taking support near 143. Global primary aluminum production reached 5.49 million tons in August, flat compared with the previous month, the International Aluminum Institute reported.

### Market Update (Energy)

Crude oil may bounce towards resistance near 2980 and support is seen near 2780. Oil prices edged higher in early trade on Tuesday after U.S. President Donald Trump returned to the White House from hospital after being admitted for treatment for COVID-19 last Friday, while another storm brewed in the U.S. Gulf of Mexico. Prices fell sharply last Friday when Trump went into hospital, then climbed more than 5% on Monday after he said he would return to the White House and as hopes grew that a deal could be agreed for a U.S. economic stimulus package to counter the impact of the coronavirus pandemic. An expanding strike by workers in Norway, which shut six offshore oil and gas fields, and the evacuation of oil platforms in the U.S. Gulf of Mexico ahead of Tropical Storm Delta heading toward Louisiana and Florida also helped support prices. The Norway strike will cut the country's total output capacity by just over 330,000 barrels of oil equivalent per day, or about 8% of total production, according to the Norwegian Oil and Gas Association. Natural gas may trade with higher volatility and may extend the bullish rally where resistance is seen near 203 and support near 189. Natural gas markets have shot straight up in the trading session on Monday, breaking above the \$2.60 level.

**KEY ECONOMIC RELEASES**

| IST   | Economic releases           | Importance | Expected | Previous | Impact on Commodity | Adverse/Favourable / Neutral |
|-------|-----------------------------|------------|----------|----------|---------------------|------------------------------|
| 18:00 | US Trade Balance (Aug)      | High       | -66.20B  | -63.60B  | Metal & Energy      | Adverse                      |
| 19:30 | US JOLTs Job Openings (Aug) | High       | 6.000M   | 6.618M   | Metal & Energy      | Adverse                      |

Vandana Bharti (AVP - Commodity Research)  
 Shiva Nand Upadhyay - Sr. Research Associate  
 Mr. Ravinder Kumar - Sr. Research Analyst

Boardline : 011-30111000 Extn: 625  
 Boardline : 011-30111000 Extn: 646  
 Boardline : 011-30111000 Extn: 687

vandanabharti@smcindiaonline.com  
 shivanand@smcindiaonline.com  
 ravinderkumar@smcindiaonline.com

E-mail: smc.care@smcindiaonline.com



Moneywise. Be wise.

**Corporate Office:**  
 11/6B, Shanti Chamber,  
 Pusa Road, New Delhi - 110005  
 Tel: +91-11-30111000  
 www.smcindiaonline.com

**Mumbai Office:**  
 Lotus Corporate Park, A Wing 401 / 402, 4th Floor,  
 Graham Firth Steel Compound, Off Western  
 Express Highway, Jay Coach Signal, Goreagon  
 (East) Mumbai - 400063  
 Tel: 91-22-67341600, Fax: 91-22-67341697

**Kolkata Office:**  
 18, Rabindra Sarani, Poddar Court, Gate No-4,  
 5th Floor, Kolkata - 700001  
 Tel.: 033 6612 7000/033 4058 7000  
 Fax: 033 6612 7004/033 4058 7004

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd.) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities/commodities market.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the subject commodity.

**DISCLAIMER:** This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s) in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions.

Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance of this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the commodity thereof, mentioned here in or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodities discussed herein(c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions. All disputes shall be subject to the exclusive jurisdiction of Delhi High Court. All disputes shall be subject to the exclusive jurisdiction of Delhi High Court.