

COMMODITY DAILY REPORT (Metals & Energy)

7th October, 2020

INTERNATIONAL MARKETS

COMEX / NYMEX / ICE (PRECIOUS METALS AND ENERGY)

COMMODITY	CONTRACT	EXPIRY DATE	CLOSING PRICE
Silver	October	28-Oct-20	23.87
Gold	November	25-Nov-20	1904.80
Crude Oil	November	20-Oct-20	40.67
Brent Crude Oil	December	30-Oct-20	42.65
Natural Gas	November	28-Oct-20	2.52

CURRENCY / COMMODITY INDEX

CURRENCY (Spot)	CURRENT PRICE
USD / INR*	73.43
Dollar Index	93.81
EUR / USD	1.17
CRB Index	156.56

LME (BASE METALS) (\$ per tonnes)

COMMODITY	CONTRACT	CLOSING PRICE
Copper	Cash	6509.00
Aluminum	Cash	1755.00
Zinc	Cash	2331.00
Lead	Cash	1759.00
Nickel	Cash	14643.00

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	15430.29	Sideways	25.08.20	15750.00	-
Silver	4-Dec-20	60571.00	Up	18.05.20	47698.00	58200.00
Gold	5-Dec-20	50526.00	Up	23.03.20	41163.00	49500.00
Crude Oil	19-Oct-20	2972.00	Sideways	08.09.20	2705	-
Natural gas	27-Oct-20	188.10	Up	23.09.20	154.20	150.00
Diamond 1ct (ICEX)	5-Nov-20	3192.75	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	512.65	Sideways	01.10.20	510.00	-
Aluminum	30-Oct-20	144.80	Up	10.06.20	138.40	136.00
Zinc	30-Oct-20	189.80	Up	11.05.20	156.60	182.00
Lead	30-Oct-20	146.70	Up	28.07.20	148.05	140.00
Nickel	30-Oct-20	1064.80	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 06.10.20

Market Update (Bullions)

Bullion counter may post correction from higher levels where Gold may test 49400 and facing resistance near 50600 while silver may test 58900 and facing resistance near 61050. Gold prices on Wednesday hovered near a one-week low hit in the previous session, after U.S. President Donald Trump halted new stimulus talks, bolstering the dollar. Spot gold was flat at \$1,877.15 per ounce. Prices fell 2% on Tuesday hitting a one-week low of \$1,874.05. U.S. gold futures were down 1.4% at \$1,882.90. The dollar index was up 0.2% against rivals. Prospects for more aid for Americans struggling through the COVID-19 pandemic and U.S. airlines seeking to avert a wave of layoffs crumbled on Tuesday when Trump ended negotiations until after the November election. Top U.S. and European central bankers on Tuesday called for renewed government spending to support families and businesses as the battle against the coronavirus-triggered recession enters a newly critical phase. The U.S. trade deficit surged in August to the largest in 14 years with imports climbing again, suggesting that trade could be a drag on economic growth in the third quarter. Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.32% to 1,271.52 tonnes on Tuesday. India's gold imports in September fell 59% from a year earlier to the lowest level in four months, a government source said on Tuesday. Silver rose 0.7% to \$23.25 per ounce.

Market Update (Base Metals)

Base metals may continue to trade sideways with bearish bias where Copper can move towards 508 and facing resistance near 518. Chinese markets will be closed Oct. 1-8 for the Golden Week holiday. Copper prices fell on Wednesday after U.S. President Donald Trump halted negotiations with the U.S. Congress on a large coronavirus stimulus bill. The discount on LME cash copper against the three-month contract stretched to \$14.25 a tonne, its biggest since June 22, indicating healthy nearby supplies. LME copper inventories have doubled over the past two weeks. 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 186 and facing resistance near 190. Lead can move towards 148 while taking support near 145. 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. LME cash aluminium was last at a discount of \$25.50 a tonne over the three-month contract, its smallest since July 2 as LME inventories fell to their lowest since May 18 at 1.43 million tonnes.

Market Update (Energy)

Crude oil may again fall towards support of 2780 and resistance is seen near 3040. Oil prices slipped on Wednesday after U.S. President Donald Trump dashed hopes for a fourth stimulus package to boost the coronavirus-hit economy and on a larger-than-expected build-up in U.S. crude stocks. President Trump, still being treated for COVID-19, ended talks on Tuesday with Democrats on an economic aid package for his pandemic-hit country with the U.S. presidential election only weeks away. Price were also pressured by data from the American Petroleum Institute showing U.S. crude oil stocks rose by 951,000 barrels last week-more than expected. Energy companies were busy securing offshore production platforms and evacuating workers on Tuesday, some for the sixth time this year, as Hurricane Delta took aim at U.S. oil production in the Gulf of Mexico, which accounts for 17% of total U.S. crude oil output. An expanding strike by workers in Norway, which shut six offshore oil and gas fields, also helped 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 196 and support near 182. Natural Gas prices declined yesterday as the weather in the US is expected to be warmer than normal over the next two weeks reducing heating demand.

KEY ECONOMIC RELEASES

IST	Economic releases	Importance	Expected	Previous	Impact on Commodity	Adverse/Favourable / Neutral
20:00	EIA Crude Oil Inventories	High	0.400M	-1.980M	Energy	Adverse
20:00	EIA Gasoline Inventories	High	-0.900M	0.683M	Energy	Favourable
23:30	FOMC Statement	High	-	-	Metal & Energy	-

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