

Daily Commodity Analysis Report

Thursday, August 5, 2021
Thursday



COMMODITY MARKET

MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA
Gold	1 Kg	47892.00	0.06	0.73	2.78	-4.52	-10.22	SELL	BUY	SELL
Silver	30 Kg	67601.00	-0.46	1.29	-0.55	-0.30	7.70	SELL	SELL	BUY
\$Gold	100 Tr. Oz	1810.04	-0.07	0.49	2.76	-4.63	-8.07	SELL	BUY	SELL
\$ Silver	5000 Tr. Oz	25.335	-0.10	1.34	-0.96	-3.16	7.91	SELL	SELL	SELL
Crude	100 BBL	5082.00	-2.98	-2.21	-3.31	49.06	43.04	SELL	BUY	BUY
Nat.Gas	1250 mmBtu	309.80	3.27	-1.34	8.46	63.65	53.83	BUY	BUY	BUY
\$ Crude	1,000 Barrels	68.15	-3.42	-2.45	-4.04	45.01	42.83	SELL	BUY	BUY
\$ Nat. Gas	10000 mmBtu	4.16	3.25	-1.34	8.46	63.65	53.83	BUY	BUY	BUY
Aluminium	5MT	204.30	-1.09	3.90	4.19	46.16	31.46	BUY	BUY	BUY
Copper	2500Kg	729.35	-0.99	-3.17	2.79	23.98	31.17	BUY	BUY	BUY
Lead	5MT	176.75	-0.34	1.13	0.42	14.54	15.77	BUY	BUY	BUY
Nickel	1500Kg	1460.50	-0.64	-0.52	6.79	21.41	29.13	BUY	BUY	BUY
Zinc	5MT	244.50	-0.27	-1.18	3.06	33.54	25.51	BUY	BUY	BUY
LME Alum	25 Tonnes	2576.00	0.53	3.11	2.20	30.72	33.39	BUY	BUY	BUY
LME Copp	25,000 Lbs.	9495.00	0.31	-0.66	2.24	23.31	32.48	SELL	BUY	BUY
LME Lead	5 Tonnes	2374.00	0.13	0.77	4.20	20.24	21.81	SELL	SELL	BUY
LME Nickel	250 Kg	19240.00	-0.1	-0.49	5.06	16.93	28.85	BUY	BUY	BUY
LME Zinc	5 Tonnes	2980.00	0.61	-0.22	0.87	8.11	22.85	BUY	BUY	BUY

Note:

* 50DMA - If prices trading above 50DMA "BUY" Signal is shown

* 100DMA - If prices trading above 50DMA "BUY" Signal is shown

* 200DMA - If prices trading above 50DMA "BUY" Signal is shown

* 50DMA - If prices trading below 50DMA "SELL" Signal is shown

* 100DMA - If prices trading below 50DMA "SELL" Signal is shown

* 200DMA - If prices trading below 50DMA "SELL" Signal is shown

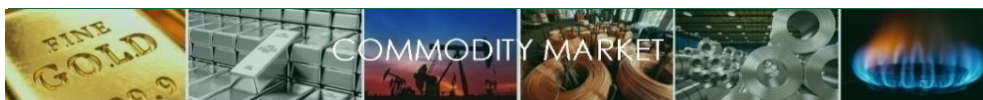
* Domestic Rates are as per closing basis and International rates are as per 8.30am

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Page No

1



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Thursday, August 5, 2021



**SMIFS
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Currency Snapshot

Currency	Last	% Cng	
USDINR	74.34	-0.14	▼
EURINR	88.21	-0.37	▼
GBPINR	103.52	-0.18	▼
JPYINR	68.14	-0.03	▼
EURUSD	1.1832	-0.03	▼
GBPUSD	1.3880	-0.04	▼
USDJPY	109.68	0.19	▲
Dollar Index	92.33	0.05	■

Indices Snapshot

Indices	Last	Change	
NIFTY	16258.80	0.79	▲
SENSEX	54369.77	1.02	▲
HANGSENG	26426.55	0.88	▲
NIKKEI	27584.08	-0.21	▼
STRAITS	3182.90	1.07	▲
CAC 40	6759.49	0.53	▲
DAX	15678.42	0.79	▲
DJIA	35116.40	0.80	▲
NASDAQ	14761.30	0.55	▲
JAKARTA	6159.04	0.46	▲
KOSPI	3280.38	1.34	▲

LME Stock Snapshot

Commodity	Stock	Cng
LME Aluminium	1363475	-7675
LME Copper	237025	-975
LME Lead	59250	-125
LME Nickel	210192	-876
LME Zinc	244500	-450

Economical Data

Time	Currency	Data	Fcst	Prev
11:30am	EUR	German Factory Orders m/m	0.021	-0.037
12:15pm	EUR	French Industrial Production m/m	0.005	-0.003
1:30pm	EUR	ECB Economic Bulletin		
Tentative	EUR	Spanish 10-y Bond Auction		0.35 1.8
Tentative	EUR	French 10-y Bond Auction		0.13 2.1
5:00pm	USD	Challenger Job Cuts y/y		-0.88
6:00pm	USD	Unemployment Claims	382K	400K
6:00pm	USD	Trade Balance	-74.2B	-71.2B
7:30pm	USD	FOMC Member Waller Speaks		
8:00pm	USD	Natural Gas Storage	19B	36B

Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	47892.00	12247	-2.79	Short Covering
Silver	67601.00	8532	1.32	Fresh Selling
Crude	5082.00	7122	35.37	Fresh Selling
Nat.Gas	309.80	18451	25.68	Fresh Buying
Aluminium	204.30	2154	-18.56	Long Liquidation
Copper	729.35	4916	6.45	Fresh Selling
Lead	176.75	1063	-13.51	Long Liquidation
Nickel	1460.50	1806	-0.71	Long Liquidation
Zinc	244.50	1500	-0.73	Long Liquidation

Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	47892.00	48089.00	197.00	211.00	-14.00
Silver	67601.00	68564.00	963.00	856.00	107.00
Crude	5082.00	5080.00	-2.00	-19.00	17.00
Nat.Gas	309.80	310.80	1.00	0.90	0.10
Aluminium	204.30	204.10	-0.20	-0.40	0.20
Copper	729.35	732.35	3.00	2.75	0.25
Lead	176.75	177.95	1.20	1.25	-0.05
Nickel	1460.50	1457.10	-3.40	-3.00	-0.40
Zinc	244.50	242.20	-2.30	-2.75	0.45

Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	70.85	100.90	65.55	76.69
Gold / Crude Ratio	9.42	19.58	8.37	13.48
Gold / Copper Ratio	65.66	112.33	59.19	83.45
Silver / Crude Ratio	13.30	25.03	12.33	17.44
Silver / Copper Ratio	92.69	147.81	87.51	108.25
Zinc / Lead Ratio	138.33	141.74	111.81	130.85
Crude / Nat.Gas Ratio	16.40	25.87	10.60	19.84

Commodity Market Daily Trading Levels

Commodity	Close	Support 3	Support 2	Support 1	Pivot Point	Resist 1	Resist 2	Resist 3	Trend
Gold	47892.00	47060.00	47413.00	47652.00	48005.00	48244.00	48597.00	48836.00	Positive
Silver	67601.00	65477.00	66410.00	67006.00	67939.00	68535.00	69468.00	70064.00	Negative
\$ Gold	1811.59	1804.30	1806.50	1808.30	1810.50	1812.30	1814.50	1816.30	Positive
\$ Silver	25.37	25.10	25.20	25.20	25.30	25.30	25.40	25.40	Negative
Crude oil	5082.00	4782.00	4913.00	4998.00	5129.00	5214.00	5345.00	5430.00	Negative
Natural Gas	309.80	291.40	296.10	302.90	307.60	314.40	319.10	325.90	Positive
\$ Crude oil	68.15	65.10	66.51	67.33	68.74	69.56	70.97	71.79	Negative
\$ Natural Gas	4.1580	3.9253	3.9907	4.0743	4.1397	4.2233	4.2887	4.3723	Positive
Aluminium	204.30	200.90	202.50	203.50	205.10	206.10	207.70	208.70	Negative
Copper	729.35	711.80	719.40	724.40	732.00	737.00	744.60	749.60	Negative
Lead	176.75	175.10	175.70	176.30	176.90	177.50	178.10	178.70	Negative
Nickel	1460.50	1435.70	1447.10	1453.80	1465.20	1471.90	1483.30	1490.00	Negative
Zinc	244.50	241.90	242.90	243.70	244.70	245.50	246.50	247.30	Negative
LME Aluminium	2562.50	2517.67	2539.83	2551.17	2573.33	2584.67	2606.83	2618.17	Negative
LME Copper	9466.00	9224.83	9327.67	9396.83	9499.67	9568.83	9671.67	9740.83	Negative
LME Lead	2371.00	2326.67	2348.33	2359.67	2381.33	2392.67	2414.33	2425.67	Negative
LME Nickel	19260.00	18883.33	19046.67	19153.33	19316.67	19423.33	19586.67	19693.33	Negative
LME Zinc	2962.00	2920.50	2938.00	2950.00	2967.50	2979.50	2997.00	3009.00	Negative

Latest News Update

Growth in China's services sector accelerated in July, a private survey showed, although the spread of the COVID-19 Delta variant across the country threatens to undercut the recovery in the world's second-biggest economy. The Caixin/Markit services Purchasing Managers' Index (PMI) rose to 54.9 in July, the highest since May and up from 50.3 the previous month. The better readings in the private survey, which focuses more on smaller firms in coastal regions, stood in contrast with findings in an official survey on Saturday which showed growth in the services sector retreat slightly in July. China's services sector has been slower to recover from the pandemic than manufacturing, but has been helped by a gradual improvement in consumption in recent months. A rise in domestic coronavirus infections, however, is threatening to hurt the economy's steady recovery. Since the eastern city of Nanjing confirmed its first Delta cases on July 20, numerous cities in southern China and a few in the north including Beijing, have reported infections.

New orders for U.S.-made goods increased more than expected in June, while business spending on equipment was solid, pointing to sustained strength in manufacturing even as spending is shifting away from goods to services. The Commerce Department said that factory orders rose 1.5% in June after advancing 2.3% in May. Orders soared 18.4% on a year-on-year basis. Demand pivoted towards goods during the COVID-19 pandemic as millions of Americans were cooped up at home, boosting manufacturing, which accounts for 11.9% of the U.S. economy. But the surge in demand is straining the supply chain. The Institute for Supply Management reported that manufacturing activity grew at a slower pace in July for the second straight month as raw material shortages persisted. Spending is rotating back to services as nearly half of the population has been fully vaccinated against COVID-19, allowing people to travel, frequent restaurants, visit casinos and attend sporting events among services-related activities that were curbed early in the pandemic.

MCX GOLD

Technical Chart



Open	High	Low	Close	Net Cng
47920.00	48358.00	47766.00	47892.00	28.00
OI	% OI	Volume	Trend	% Cng
12247.00	-2.79	9064.00	Positive	0.06

Fundamentals

Gold yesterday settled up by 0.06% at 47892 after prices pared all gains as dollar seen supported as the ISM PMI surveys showed a record increase in services activity in July. However weaker-than-expected U.S. ADP payrolls data bolstered expectations that the Federal Reserve will keep its interest rates low for longer. The U.S. economy is on track by the end of next year to meet the employment and inflation hurdles the Federal Reserve has set for raising interest rates, which would be consistent with a liftoff in borrowing costs in 2023, Fed Vice Chair Richard Clarida said. Coming just days after Fed Governor Christopher Waller signaled his view that the U.S. central bank ought to begin paring its bond-buying program by October, Clarida's comments appear to set up the Fed for a quicker path toward reducing support for the economy than had been widely understood. U.S. Treasury Secretary Janet Yellen traveled to Atlanta to call for passage of the \$1 trillion bipartisan infrastructure bill, saying it would help reverse wage and racial inequalities and start to mitigate climate change. The Perth Mint's sales of gold products in July fell 3% to their lowest level in nine months. July sales of gold coins and minted bars fell to 70,658 from 72,910 in June. Sales rose nearly 26%, from a year earlier. Technically market is under short covering as market has witnessed drop in open interest by -2.79% to settled at 12247 while prices up 28 rupees, now Gold is getting support at 47652 and below same could see a test of 47413 levels, and resistance is now likely to be seen at 48244, a move above could see prices testing 48597.

Trading Idea for the day

Gold trading range for the day is 47413-48597.

Gold prices settled flat as dollar seen supported as the ISM PMI surveys showed a record increase in services activity in July

However weaker-than-expected U.S. ADP payrolls data bolstered expectations that the Federal Reserve will keep its interest rates low for longer.

The U.S. economy is on track by the end of next year to meet the employment and inflation hurdles the Federal Reserve has set for raising interest rates

MCX SILVER

Technical Chart



Open	High	Low	Close	Net Cng
68000.00	68872.00	67343.00	67601.00	-313.00
OI	% OI	Volume	Trend	% Cng
8532.00	1.32	17824.00	Negative	-0.46

Fundamentals

Silver yesterday settled down by -0.46% at 67601 as a measure of U.S. services industry activity jumped to a record high in July, boosted by the shift in spending to services from goods, but businesses continued to face rising prices because of supply chain constraints. U.S. Treasury Secretary Janet Yellen traveled to Atlanta to call for passage of the \$1 trillion bipartisan infrastructure bill, saying it would help reverse wage and racial inequalities and start to mitigate climate change. Yellen, in excerpts of remarks to be delivered at the city of Atlanta's economic development authority, called the bill, now under debate in the U.S. Senate, the largest infrastructure investment since the construction of the interstate highway system began in the 1950s under the Eisenhower administration. The U.S. economy is on track by the end of next year to meet the employment and inflation hurdles the Federal Reserve has set for raising interest rates, which would be consistent with a liftoff in borrowing costs in 2023, Fed Vice Chair Richard Clarida said. U.S. private payrolls increased far less than expected in July as shortages of workers and raw materials constrained hiring in the manufacturing and construction industries. The Perth Mint's sales of silver tumbled nearly 29% to touch a six-month low. Technically market is under fresh selling as market has witnessed gain in open interest by 1.32% to settled at 8532 while prices down -313 rupees, now Silver is getting support at 67006 and below same could see a test of 66410 levels, and resistance is now likely to be seen at 68535, a move above could see prices testing 69468.

Trading Idea for the day

Silver trading range for the day is 66410-69468.

Silver prices dropped as U.S. services sector index races to record high in July -ISM survey

U.S. private payrolls increased far less than expected in July

U.S. Treasury Secretary Janet Yellen traveled to Atlanta to call for passage of the \$1 trillion bipartisan infrastructure bill

MCX CRUDEOIL

Technical Chart



Open	High	Low	Close	Net Cng
5235.00	5260.00	5044.00	5082.00	-156.00
OI	% OI	Volume	Trend	% Cng
7122.00	35.37	99362.00	Negative	-2.98

Fundamentals

Crude oil yesterday settled down by -2.98% at 5082 due to global demand concerns after the OPEC production hike during July. Data showed that Chinese factory activity and the US manufacturing sector slowed down during July, which renewed concerns over the global economic recovery during the third quarter. OPEC's oil output rose in July to the highest level since April 2020, following OPEC-Plus decision to ease output restrictions, and after Saudi Arabia gradually canceled its voluntary production cut. Expectations of a return of Iranian crude to the markets also pressured prices. Iran and six powers have been in talks since April to revive a nuclear pact that could release its oil exports. But officials have said significant gaps remain. U.S. crude stockpiles fell by less than expected last week amid ongoing concerns about the threat of the delta variant of Covid-19 to demand. U.S. crude inventories decreased by about 879,000 barrels for the week ended July 30. In China, the spread of the variant from the coast to inland cities has prompted authorities to impose strict measures to bring the outbreak under control. Worries over China's economy after a survey showed factory activity growing at its slowest pace in 17 months in the world's second-largest oil consumer. Technically market is under fresh selling as market has witnessed gain in open interest by 35.37% to settled at 7122 while prices down -156 rupees, now Crude oil is getting support at 4998 and below same could see a test of 4913 levels, and resistance is now likely to be seen at 5214, a move above could see prices testing 5345.

Trading Idea for the day

Crude oil trading range for the day is 4913-5345.

Crude oil prices turned lower due to global demand concerns after the OPEC production hike during July.

Rising coronavirus cases in China, U.S. seen curbing oil demand

Expectations of return of Iranian crude add pressure

MCX NATURALGAS

Technical Chart



Open	High	Low	Close	Net Cng
300.80	312.30	300.80	309.80	9.80
OI	% OI	Volume	Trend	% Cng
18451.00	25.68	174549.00	Positive	3.27

Fundamentals

Nat.Gas yesterday settled up by 3.27% at 309.8 on forecasts for hotter weather over the next two weeks than earlier expected and soaring global gas prices that should keep U.S. liquefied natural gas (LNG) exports near record highs. The oil-to-gas ratio, or the level at which oil trades compared with gas, fell to 17-to-1. That is below the 21 times oil has traded over gas so far in 2021 and compares with crude's average premium of 19 times over gas in 2020 and a five-year average (2015-2019) of 20 times over gas. Data provider Refinitiv said gas output in the U.S. Lower 48 states held at 91.6 billion cubic feet per day (bcfd) so far in August, the same as July. Refinitiv projected average gas demand, including exports, would rise from 90.9 bcfd this week to 94.5 bcfd next week as power generators burn more of the fuel to meet rising air conditioning use. The forecast for next week, however, was lower than Refinitiv predicted as high gas prices prompt some power generators to burn coal instead of gas. The amount of gas flowing to U.S. LNG export plants slipped from an average of 10.8 bcfd in July to 10.4 bcfd so far in August due mostly to a reduction at Cameron LNG in Louisiana. Technically market is under fresh buying as market has witnessed gain in open interest by 25.68% to settled at 18451 while prices up 9.8 rupees, now Natural gas is getting support at 302.9 and below same could see a test of 296.1 levels, and resistance is now likely to be seen at 314.4, a move above could see prices testing 319.1.

Trading Idea for the day

Natural gas trading range for the day is 296.1-319.1.

Natural gas climbed on forecasts for hotter weather over the next two weeks than earlier expected.

Support also seen amid soaring global gas prices that should keep U.S. liquefied natural gas (LNG) exports near record highs.

The oil-to-gas ratio, fell to 17-to-1 that is below the 21 times oil has traded over gas so far in 2021

MCX COPPER

Technical Chart



Open	High	Low	Close	Net Cng
738.05	739.65	727.05	729.35	-7.30
OI	% OI	Volume	Trend	% Cng
4916.00	6.45	13036.00	Negative	-0.99

Fundamentals

Copper yesterday settled down by -0.99% at 729.35 as surging cases of the coronavirus' Delta variant dented the metal's demand outlook. A measure of U.S. services industry activity jumped to a record high in July, boosted by the shift in spending to services from goods, but businesses continued to face rising prices because of supply chain constraints. The Institute for Supply Management said its non-manufacturing activity index raced to 64.1 last month, the highest reading in the series' history, from 60.1 in June. Chinese policymakers have been trying to tame surging commodity prices - from coal to copper - that have squeezed manufacturers' margins in the world's second biggest economy. The country has been selling state reserves of coal, metals and imported corn to cool prices, but is buying pork to prop up a slumping market. Chile's Codelco, the world's largest copper miner, increased its production by 14.9% year-on-year to 151,600 tonnes in June, and by 6.8% so far this year, the Chilean state copper commission Cochilco said. BHP's Escondida, the world's largest copper mine, saw production fall 21.6% year-on-year to 82,900 tonnes in the same month, for an accumulated drop of 14.9% in the first half of this year. Technically market is under fresh selling as market has witnessed gain in open interest by 6.45% to settled at 4916 while prices down -7.3 rupees, now Copper is getting support at 724.4 and below same could see a test of 719.4 levels, and resistance is now likely to be seen at 737, a move above could see prices testing 744.6.

Trading Idea for the day

Copper trading range for the day is 719.4-744.6.

Copper prices dropped as surging cases of the coronavirus' Delta variant dented the metal's demand outlook.

Top copper miner Codelco's June output rose 14.9% year-on-year to 151,600 tonnes

Production at the world's biggest copper mine Escondida fell 21.6% in the same period.

MCX ZINC

Technical Chart



Open	High	Low	Close	Net Cng
245.55	245.75	243.90	244.50	-0.65
OI	% OI	Volume	Trend	% Cng
1500.00	-0.73	4447.00	Negative	-0.27

Fundamentals

Zinc yesterday settled down by -0.27% at 244.5 as market worried that downstream demand might be limited due to the pandemic. The rapid spreading of Delta variant across the globe has peaked the recent US 7-day average of daily confirmed cases from last summer, while more cases were also reported in China. China National Health Commission said that there were altogether 144 regions with medium to high risks of infections, weighing on market concerns. While in the long term, July zinc ingot inventories added only 515200 mt as a result of escalated power restriction. What's worse, the further limited power supply in Guangxi is expected to reduce August output by 18000 mt from July, potentially leading to less-than-expected added supply of zinc ingot. However, more consumption demand will be released once the pandemic is under control. U.S. private payrolls increased far less than expected in July as shortages of workers and raw materials constrained hiring in the manufacturing and construction industries. The fewest job gains in five months shown in the ADP National Employment Report on Wednesday suggested some downside risk to economists' expectations for another month of solid payrolls growth when the government publishes its more comprehensive, and closely watched employment report for July. Technically market is under long liquidation as market has witnessed drop in open interest by -0.73% to settled at 1500 while prices down -0.65 rupees, now Zinc is getting support at 243.7 and below same could see a test of 242.9 levels, and resistance is now likely to be seen at 245.5, a move above could see prices testing 246.5.

Trading Idea for the day

Zinc trading range for the day is 242.9-246.5.

Zinc prices dropped as market worried that downstream demand might be limited due to the pandemic.

While in the long term, July zinc ingot inventories added only 515200 mt as a result of escalated power restriction.

The rapid spreading of Delta variant across the globe has peaked the recent US 7-day average of daily confirmed cases from last summer

MCX NICKEL

Technical Chart



Open	High	Low	Close	Net Cng
738.05	739.65	727.05	729.35	-7.30
OI	% OI	Volume	Trend	% Cng
4916.00	6.45	13036.00	Negative	-0.99

Fundamentals

Nickel yesterday settled down by -0.64% at 1460.5 as a union representing striking workers at Vale SA's nickel mine in Sudbury, Canada reached a tentative agreement to settle an ongoing labor dispute that saw 2,500 workers walk off their job on June 1. Nickel stocks across the LME listed warehouses kept falling to 214,632 mt on July 30, down 17,844 or 7.7% mt from June 30. The stocks across SHFE warehouses increased to 6,939 mt on July 23, up 839 mt or 13.75% from June 28. At present, the focus of nickel-based market transactions is still on the stainless steel and new energy markets. Nickel demand by stainless steel market is expected to decline in August, as the production will be reduced amid the power curtailment. However, the overall stainless steel production is still scheduled high, and the raw material supply is not loose. The recent severe pandemic in Indonesia may affect the construction of upstream new capacities and the production progress. The spreading Delta variant intensified the global concerns about the economic recovery. Officials in Australia and New Zealand gave hawkish statements yesterday. Fed actions will be the focus in the short term. The COVID-19 Delta variant is sweeping the globe. The average number of daily confirmed new cases in US has exceeded the peak of last summer. Technically market is under long liquidation as market has witnessed drop in open interest by -0.71% to settled at 1806 while prices down -9.4 rupees, now Nickel is getting support at 1453.8 and below same could see a test of 1447.1 levels, and resistance is now likely to be seen at 1471.9, a move above could see prices testing 1483.3.

Trading Idea for the day

Nickel trading range for the day is 1447.1-1483.3.

Nickel prices dropped as a workers union at Vale SA's nickel mine in Sudbury, Canada reached a tentative agreement to settle an ongoing labor dispute

Nickel demand by stainless steel market is expected to decline in August, as the production will be reduced amid the power curtailment.

China's July manufacturing PMI decreased from 50.9 in June to 50.4, lower than expectation.

MCX ALUMINIUM

Technical Chart



Open	High	Low	Close	Net Cng
245.55	245.75	243.90	244.50	-0.65
OI	% OI	Volume	Trend	% Cng
1500.00	-0.73	4447.00	Negative	-0.27

Fundamentals

Aluminium yesterday settled down by -1.09% at 204.3 as and market sentiments turned negative amid the sweeping Delta variant of COVID-19. The spreading pandemic in China triggered the concerns about the extension of the off season. On the other hand, domestic social inventories was decreasing smoothly, which strongly supported the aluminium prices. Chinese policymakers have been trying to tame surging commodity prices - from coal to copper - that have squeezed manufacturers' margins in the world's second biggest economy. The country has been selling state reserves of coal, metals and imported corn to cool prices, but is buying pork to prop up a slumping market. China imported a further 158,000 tonnes of primary aluminium in June, bringing the half-year tally to 744,000 tonnes. When the world's largest producer started tapping the international market-place early last year, it appeared to be a temporary blip caused by China's rapid bounce-back from lockdown. China's primary metal production growth has stalled as power-hungry smelters adapt to tightening energy efficiency targets. Producers can't keep pace with demand, meaning imports are needed to rebalance the domestic market. China has hoovered up 1.8 million tonnes of primary aluminium since these accelerated imports began in the second quarter of 2020. Technically market is under long liquidation as market has witnessed drop in open interest by -18.56% to settled at 2154 while prices down -2.25 rupees, now Aluminium is getting support at 203.5 and below same could see a test of 202.5 levels, and resistance is now likely to be seen at 206.1, a move above could see prices testing 207.7.

Trading Idea for the day

Aluminium trading range for the day is 202.5-207.7.

Aluminium prices dropped as and market sentiments turned negative amid the sweeping Delta variant of COVID-19.

The spreading pandemic in China triggered the concerns about the extension of the off season.

On the other hand, domestic social inventories was decreasing smoothly, which strongly supported the aluminium prices.



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