

Daily Commodity Analysis Report

Friday, August 6, 2021
Friday



MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA
Gold	1 Kg	47603.00	-0.60	0.97	3.01	-4.29	-9.96	SELL	BUY	SELL
Silver	30 Kg	66998.00	-0.89	1.21	-0.63	-0.38	7.63	SELL	SELL	BUY
\$Gold	100 Tr. Oz	1800.34	-0.18	0.49	2.76	-4.62	-8.07	SELL	BUY	SELL
\$ Silver	5000 Tr. Oz	25.081	-0.19	0.80	-1.52	-3.69	7.41	SELL	SELL	SELL
Crude	100 BBL	5122.00	0.79	2.68	1.63	56.56	45.77	BUY	BUY	BUY
Nat.Gas	1250 mmBtu	308.50	-0.42	-4.14	5.93	59.25	52.55	BUY	BUY	BUY
\$ Crude	1,000 Barrels	69.09	1.38	2.43	0.91	52.25	45.55	BUY	BUY	BUY
\$ Nat. Gas	10000 mmBtu	4.14	-0.43	-4.14	5.93	59.25	52.55	BUY	BUY	BUY
Aluminium	5MT	205.80	0.73	4.04	4.33	46.37	31.56	BUY	BUY	BUY
Copper	2500Kg	731.45	0.29	-1.19	4.65	26.40	32.49	BUY	BUY	BUY
Lead	5MT	176.70	-0.03	1.16	0.45	14.58	15.80	BUY	BUY	BUY
Nickel	1500Kg	1470.20	0.66	0.32	7.57	22.43	29.72	BUY	BUY	BUY
Zinc	5MT	248.35	1.57	0.16	4.35	35.34	26.50	BUY	BUY	BUY
LME Alum	25 Tonnes	2596.00	0.37	3.41	2.50	31.13	33.60	BUY	BUY	BUY
LME Copp	25,000 Lbs.	9491.00	0.12	1.06	3.91	25.45	33.63	BUY	BUY	BUY
LME Lead	5 Tonnes	2348.50	0.11	0.32	3.76	19.69	21.45	SELL	SELL	BUY
LME Nickel	250 Kg	19475.00	0.46	-0.57	4.98	16.84	28.80	BUY	BUY	BUY
LME Zinc	5 Tonnes	3021.00	0.15	1.10	2.17	9.55	23.86	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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Friday, August 6, 2021



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LEGACY | TRUST | GROWTH

Currency Snapshot

Currency	Last	% Cng	
USDINR	74.28	-0.08	▼
EURINR	88.07	-0.16	▼
GBPINR	103.39	-0.12	▼
JPYINR	67.89	-0.36	▼
EURUSD	1.1823	-0.08	▼
GBPUSD	1.3916	-0.09	▼
USDJPY	109.87	0.10	▲
Dollar Index	92.35	0.09	▲

Indices Snapshot

Indices	Last	Change	
NIFTY	16294.60	0.22	▲
SENSEX	54492.84	0.23	▲
HANGSENG	26204.69	-0.84	▼
NIKKEI	27728.12	0.52	▲
STRAITS	3175.10	-0.25	▼
CAC 40	6769.95	0.35	▲
DAX	15714.45	0.14	▲
DJIA	34792.67	-0.92	▼
NASDAQ	14780.53	0.13	▲
JAKARTA	6205.42	0.75	▲
KOSPI	3276.13	-0.13	▼

LME Stock Snapshot

Commodity	Stock	Cng
LME Aluminium	1355600	-7875
LME Copper	236100	-925
LME Lead	58850	-400
LME Nickel	209898	-294
LME Zinc	244325	-175

Economical Data

Time	Currency	Data	Fcst	Prev
11:30am	EUR	German Industrial Production m/m	0.006	-0.003
12:15pm	EUR	French Prelim Private Payrolls q/q	0.006	0.005
12:15pm	EUR	French Trade Balance	-6.1B	-6.8B
1:30pm	EUR	Italian Industrial Production m/m	0.011	-0.015
6:00pm	USD	Average Hourly Earnings m/m	0.003	0.003
6:00pm	USD	Non-Farm Employment Change	870K	850K
6:00pm	USD	Unemployment Rate	0.057	0.059
7:30pm	USD	Final Wholesale Inventories m/m	0.008	0.008

Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	47603.00	12815	4.64	Fresh Selling
Silver	66998.00	9303	9.04	Fresh Selling
Crude	5122.00	6202	-12.92	Short Covering
Nat.Gas	308.50	15072	-18.31	Long Liquidation
Aluminium	205.80	2124	-1.39	Short Covering
Copper	731.45	4892	-0.49	Short Covering
Lead	176.70	1102	3.67	Fresh Selling
Nickel	1470.20	1766	-2.21	Short Covering
Zinc	248.35	1989	32.6	Fresh Buying

Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	47603.00	47808.00	205.00	197.00	8.00
Silver	66998.00	67854.00	856.00	963.00	-107.00
Crude	5122.00	5116.00	-6.00	-2.00	-4.00
Nat.Gas	308.50	309.70	1.20	1.00	0.20
Aluminium	205.80	205.10	-0.70	-0.20	-0.50
Copper	731.45	734.50	3.05	3.00	0.05
Lead	176.70	177.85	1.15	1.20	-0.05
Nickel	1470.20	1466.70	-3.50	-3.40	-0.10
Zinc	248.35	245.00	-3.35	-2.30	-1.05

Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	71.05	100.90	65.55	76.60
Gold / Crude Ratio	9.29	19.58	8.37	13.42
Gold / Copper Ratio	65.08	112.33	59.19	83.17
Silver / Crude Ratio	13.08	25.03	12.33	17.37
Silver / Copper Ratio	91.60	147.81	87.51	108.01
Zinc / Lead Ratio	140.55	141.74	111.81	130.97
Crude / Nat.Gas Ratio	16.60	25.87	10.60	19.80

Commodity Market Daily Trading Levels

Commodity	Close	Support 3	Support 2	Support 1	Pivot Point	Resist 1	Resist 2	Resist 3	Trend
Gold	47603.00	46987.00	47245.00	47424.00	47682.00	47861.00	48119.00	48298.00	Negative
Silver	66998.00	65536.00	66119.00	66559.00	67142.00	67582.00	68165.00	68605.00	Negative
\$ Gold	1803.89	1792.60	1796.10	1798.20	1801.70	1803.80	1807.30	1809.40	Negative
\$ Silver	25.14	24.90	25.00	25.00	25.10	25.10	25.20	25.20	Negative
Crude oil	5122.00	4928.00	4977.00	5049.00	5098.00	5170.00	5219.00	5291.00	Positive
Natural Gas	308.50	298.00	301.60	305.00	308.60	312.00	315.60	319.00	Negative
\$ Crude oil	69.09	66.94	67.42	68.25	68.73	69.56	70.04	70.87	Positive
\$ Natural Gas	4.1400	4.0133	4.0647	4.1023	4.1537	4.1913	4.2427	4.2803	Negative
Aluminium	205.80	203.40	204.00	204.90	205.50	206.40	207.00	207.90	Positive
Copper	731.45	719.90	722.80	727.20	730.10	734.50	737.40	741.80	Positive
Lead	176.70	174.90	175.60	176.10	176.80	177.30	178.00	178.50	Negative
Nickel	1470.20	1431.30	1443.70	1457.00	1469.40	1482.70	1495.10	1508.40	Positive
Zinc	248.35	241.90	243.50	245.90	247.50	249.90	251.50	253.90	Positive
LME Aluminium	2586.50	2538.83	2552.17	2569.33	2582.67	2599.83	2613.17	2630.33	Positive
LME Copper	9480.00	9321.33	9365.67	9422.83	9467.17	9524.33	9568.67	9625.83	Positive
LME Lead	2346.00	2284.67	2314.33	2330.17	2359.83	2375.67	2405.33	2421.17	Negative
LME Nickel	19385.00	18736.67	18938.33	19161.67	19363.33	19586.67	19788.33	20011.67	Positive
LME Zinc	3016.50	2913.33	2940.17	2978.33	3005.17	3043.33	3070.17	3108.33	Positive

Latest News Update

The contours of debate within the U.S. central bank over when to dial back support for the economy burst into the open as a key architect of the Federal Reserve's new policy strategy said he feels the conditions for raising interest rates could be met by the end of 2022. "Commencing policy normalization in 2023 would, under these conditions, be entirely consistent with our new flexible average inflation targeting framework," Federal Reserve Vice Chair Richard Clarida said in a webcast discussion hosted by the Peterson Institute for International Economics. Clarida helped craft that framework, adopted last August, under which the Fed has pledged to keep rates at their current near-zero level until the economy reaches full employment, and inflation hits the Fed's 2% goal and is on track to moderately exceed that pace for some time. Meanwhile, Clarida added, he could "certainly" see the Fed announcing a reduction in its \$120-billion-a-month asset purchase program later this year, given the surprising pace of the economic recovery from the coronavirus pandemic.

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 pay higher prices for inputs because of supply constraints. The Institute for Supply Management survey also showed a rebound in a gauge of services industry employment last month. That eased worries of a sharp slowdown in job growth, which had been stoked by the ADP Employment Report showing the smallest gain in private payrolls in five months in July. The bounce back in the ISM services employment index followed a similar reading for the manufacturing sector. The economy is pushing ahead after fully recovering in the second quarter the sharp loss in output suffered during the very brief COVID-19 pandemic recession. The Institute for Supply Management said its non-manufacturing activity index raced to 64.1 last month, the highest reading since the series started in 2008, from 60.1 in June. A reading above 50 indicates growth in the services sector, which accounts for more than two-thirds of U.S. economic activity.

MCX GOLD

Technical Chart



Open	High	Low	Close	Net Cng
47847.00	47940.00	47503.00	47603.00	-289.00
OI	% OI	Volume	Trend	% Cng
12815.00	4.64	6749.00	Negative	-0.60

Fundamentals

Gold yesterday settled down by -0.6% at 47603 as a key Federal Reserve official's hawkish comments reinforced bets for early tapering of the central bank's bond-buying program. Fed Vice Chair Richard Clarida suggested the central bank could begin tapering its asset purchases later this year. The number of Americans filing new claims for unemployment benefits declined further last week, while layoffs dropped to their lowest level in just over 21 years in July as companies held on to workers amid a labor shortage. Investors also took note of the Bank of England's decision to leave interest rates and its bond-buying program on hold. India's gold imports in July more than doubled from a year earlier to their highest level in three months as demand improved after states lifted lockdown restrictions, allowing retail consumers to make purchases for weddings. India imported 74 tonnes of gold in July, compared to 32 tonnes a year earlier. In value terms, July imports surged to \$4.2 billion from \$1.78 billion a year ago. Russia produced 79.05 tonnes of gold in the first four months of 2021, down from the 81.27 tonnes it produced in the same period in 2020, the finance ministry said. Technically market is under fresh selling as market has witnessed gain in open interest by 4.64% to settled at 12815 while prices down -289 rupees, now Gold is getting support at 47424 and below same could see a test of 47245 levels, and resistance is now likely to be seen at 47861, a move above could see prices testing 48119.

Trading Idea for the day

Gold trading range for the day is 47245-48119.
 Gold fell as a key Federal Reserve official's hawkish comments reinforced bets for early tapering of the central bank's bond-buying program.
 Fed Vice Chair Richard Clarida suggested the central bank could begin tapering its asset purchases later this year.
 India's gold imports in July more than doubled from a year earlier to their highest level in three months as demand improved

MCX SILVER

Technical Chart



Open	High	Low	Close	Net Cng
67488.00	67725.00	66702.00	66998.00	-603.00
OI	% OI	Volume	Trend	% Cng
9303.00	9.04	9142.00	Negative	-0.89

Fundamentals

Silver yesterday settled down by -0.89% at 66998 as the dollar crept higher on hawkish comments from Federal Reserve Vice Chairman Richard Clarida cementing expectations for a hike in interest rate in early 2023. Clarida said that criteria for raising rates could be achieved by the end of 2022, warranting an action in early 2023. Although the labor market recovery is far from desired levels, inflation has exceeded the Fed's 2 percent goal. Clarida said he expects the labor market to have reached the maximum employment goal by the end of 2022. "Given this outlook and so long as inflation expectations remain well anchored at the 2% longer-run goal ... commencing policy normalization in 2023 would, under these conditions, be entirely consistent with our new flexible average inflation targeting framework," he added. The U.S. trade deficit surged to a record high in June as efforts by business to rebuild inventories to meet robust consumer spending drew in more imports. The Commerce Department said that the trade gap increased 6.7% to \$75.7 billion in June, an all-time high. The number of Americans filing new claims for unemployment benefits declined further last week, while layoffs dropped to their lowest level in just over 21 years in July as companies held on to workers amid a labor shortage. Technically market is under fresh selling as market has witnessed gain in open interest by 9.04% to settled at 9303 while prices down -603 rupees, now Silver is getting support at 66559 and below same could see a test of 66119 levels, and resistance is now likely to be seen at 67582, a move above could see prices testing 68165.

Trading Idea for the day

Silver trading range for the day is 66119-68165.
 Silver settled down as the dollar crept higher on hawkish comments from Fed's Richard Clarida cementing expectations for a hike in interest rate in early 2023.
 The U.S. trade deficit surged to a record high in June as efforts by business to rebuild inventories to meet robust consumer spending drew in more imports.
 Fed Vice Chair Richard Clarida suggested the central bank could begin tapering its asset purchases later this year.

MCX CRUDEOIL

Technical Chart



Open	High	Low	Close	Net Cng
5087.00	5147.00	5026.00	5122.00	40.00
OI	% OI	Volume	Trend	% Cng
6202.00	-12.92	65979.00	Positive	0.79

Fundamentals

Crude oil yesterday settled up by 0.79% at 5122 on rising Middle East tensions, while fresh movement restrictions imposed by countries to counter a surge in COVID-19 cases threatened the demand recovery. Israeli jets struck what its military said were rocket launch sites in Lebanon early in response to two rockets fired towards Israel from Lebanese territory, in an escalation of cross-border hostilities amid heightened tensions with Iran. Offsetting the Mideast tensions, concerns over the recovery of global oil demand grew amid a surge in coronavirus cases. Japan is poised to expand emergency restrictions to more prefectures while China, the world's second-largest oil consumer, has imposed curbs in some cities and cancelled flights, threatening fuel demand. U.S. crude stocks at the Cushing, Oklahoma, storage hub fell last week to the lowest since January 2020, Energy Information Administration data showed. Crude inventories at Cushing fell to 34.9 million barrels, EIA data showed. U.S. crude stocks and distillate inventories rose while gasoline inventories fell, the Energy Information Administration said. Crude inventories rose by 3.6 million barrels in the week to July 30 to 439.2 million barrels, compared with expectations for a 3.1 million-barrel drop. Crude stocks at the Cushing, Oklahoma, delivery hub fell by 543,000 barrels in the last week, EIA said. Technically market is under short covering as market has witnessed drop in open interest by -12.92% to settled at 6202 while prices up 40 rupees, now Crude oil is getting support at 5049 and below same could see a test of 4977 levels, and resistance is now likely to be seen at 5170, a move above could see prices testing 5219.

Trading Idea for the day

Crude oil trading range for the day is 4977-5219.

Crude oil gained on rising Middle East tensions, while fresh movement restrictions imposed by countries to counter a surge in COVID-19 cases threatened the demand recovery.

Offsetting the Mideast tensions, concerns over the recovery of global oil demand grew amid a surge in coronavirus cases.

U.S. crude stocks and distillate inventories rose while gasoline inventories fell, the Energy Information Administration said.

MCX NATURALGAS

Technical Chart



Open	High	Low	Close	Net Cng
309.10	312.20	305.20	308.50	-1.30
OI	% OI	Volume	Trend	% Cng
15072.00	-18.31	191691.00	Negative	-0.42

Fundamentals

Nat.Gas yesterday settled down by -0.42% at 308.5 amid forecasts for slightly less hot weather over the next two week than previously expected. However downside seen limited after the storage build came in smaller-than-expected as power generators burned lots of fuel to keep air conditioners humming during last week's hot weather. The U.S. Energy Information Administration (EIA) said utilities added 13 billion cubic feet (bcf) of gas into storage during the week ended July 30. Last week's injection boosted stockpiles to 2.727 trillion cubic feet (tcf), or 6.4% below the five-year average of 2.912 tcf for this time of year. Data provider Refinitiv said gas output in the U.S. Lower 48 states rose to 91.7 billion cubic feet per day (bcfd) so far in August from 91.6 bcfd in July. That was still well below the all-time high of 95.4 bcfd in November 2019. Refinitiv projected average gas demand, including exports, would rise from 90.9 bcfd this week to 94.3 bcfd next week as power generators burn more fuel to meet rising air conditioning use. U.S. pipeline exports to Mexico fell from an average of 6.5 bcfd in July to 6.0 bcfd so far in August. That compares with a record 6.7 bcfd in June. Technically market is under long liquidation as market has witnessed drop in open interest by -18.31% to settled at 15072 while prices down -1.3 rupees, now Natural gas is getting support at 305 and below same could see a test of 301.6 levels, and resistance is now likely to be seen at 312, a move above could see prices testing 315.6.

Trading Idea for the day

Natural gas trading range for the day is 301.6-315.6.

Natural gas prices dropped amid forecasts for slightly less hot weather over the next two week than previously expected.

However downside seen limited after the storage build came in smaller-than-expected as power generators burned lots of fuel to keep air conditioners humming

The U.S. Energy Information Administration (EIA) said utilities added 13 billion cubic feet (bcf) of gas into storage during the week ended July 30.

MCX COPPER

Technical Chart



Open	High	Low	Close	Net Cng
730.55	733.00	725.70	731.45	2.10
OI	% OI	Volume	Trend	% Cng
4892.00	-0.49	10352.00	Positive	0.29

Fundamentals

Copper yesterday settled up by 0.29% at 731.45 as support seen after German industrial orders rose more than expected in June. A senior Federal Reserve official said the conditions for raising U.S. interest rates could be met by the end of 2022. A Chinese health official said he expected a coronavirus outbreak in China to be largely under control within weeks. Industrial metals will likely fall in 2021 and 2022 with copper averaging \$7,500 a tonne in the last quarter of next year. China's spot copper premium were at a two-week low of 295 yuan a tonne as of July 29. US July ISM manufacturing data was lower than expected, indicating that the growth in the manufacturing industry had been slowed down for two consecutive months. The sweeping pandemic caused by the Delta COVID-19 variant across the world intensified the global concerns about the economic recovery. Escondido, the world's largest copper mine, voted last week to reject the final salary proposal of BHP. Domestic copper stocks kept falling for a long time to a record low. The continuous short squeeze in LME market limited the increase in the SHFE/LME ratio, and imported copper could not flow into domestic market smoothly. Technically market is under short covering as market has witnessed drop in open interest by -0.49% to settled at 4892 while prices up 2.1 rupees, now Copper is getting support at 727.2 and below same could see a test of 722.8 levels, and resistance is now likely to be seen at 734.5, a move above could see prices testing 737.4.

Trading Idea for the day

Copper trading range for the day is 722.8-737.4.

Copper prices gained as support seen after German industrial orders rose more than expected in June.

A senior Federal Reserve official said the conditions for raising U.S. interest rates could be met by the end of 2022.

China's spot copper premium were at a two-week low of 295 yuan a tonne as of July 29.

MCX ZINC

Technical Chart



Open	High	Low	Close	Net Cng
245.25	249.10	245.10	248.35	3.85
OI	% OI	Volume	Trend	% Cng
1989.00	32.60	4853.00	Positive	1.57

Fundamentals

Zinc yesterday settled up by 1.57% at 248.35 as the strengthened power curtailment cross China further limited the zinc ingot supply. The U.S. trade deficit surged to a record high in June as efforts by business to rebuild inventories to meet robust consumer spending drew in more imports. The Commerce Department said that the trade gap increased 6.7% to \$75.7 billion in June, an all-time high. On the macro front, US is likely to increase interest rate for the first time in 2023, and announce cut-back program on debt purchasing within this year, according to Fed Vice Chair Clarida. The manufacturing PMI of major economies from the euro zone was basically in line with expectation, increasing expectations over reduced debt-purchasing. In the US, the growth rate of service industry recorded a new high, but the ADP employment data was only 330,000, greatly below the expected 683,000. China's factory activity growth slipped sharply in July as demand contracted for the first time in over a year in part on high product prices, a business survey showed, underscoring challenges facing the world's manufacturing hub. The Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) fell to 50.3 last month from 51.3 the month before, the lowest level since April 2020. Technically market is under fresh buying as market has witnessed gain in open interest by 32.6% to settled at 1989 while prices up 3.85 rupees, now Zinc is getting support at 245.9 and below same could see a test of 243.5 levels, and resistance is now likely to be seen at 249.9, a move above could see prices testing 251.5.

Trading Idea for the day

Zinc trading range for the day is 243.5-251.5.

Zinc prices rose as the strengthened power curtailment cross China further limited the zinc ingot supply.

China's July factory activity growth slips to 15 – month low – Caixin PMI

US is likely to increase interest rate for the first time in 2023, and announce cut-back program on debt purchasing within this year.

MCX NICKEL

Technical Chart



Open	High	Low	Close	Net Cng
730.55	733.00	725.70	731.45	2.10
OI	% OI	Volume	Trend	% Cng
4892.00	-0.49	10352.00	Positive	0.29

Fundamentals

Nickel yesterday settled up by 0.66% at 1470.2 as supply remains tight and LME inventory has fallen from an April peak, mainly due to disruptions at nickel mines in New Caledonia, Russia and Canada. The number of Americans filing new claims for unemployment benefits declined further last week, while layoffs dropped to their lowest level in just over 21 years in July as companies held on to workers amid a labor shortage. The weekly unemployment claims report from the Labor Department, the most timely data on the economy's health, also showed the number of people on state jobless rolls dropped in late July to its lowest level since March 2020, when mandatory closures of nonessential businesses were enforced to slow the first wave of COVID-19 cases. On the macro front, Jim Bullard, President of St. Louis Federal Reserve, said that inflation in the US might last longer than someone expected, but once again stressed that it was temporary. He believed that the debt cut-back could be finished by the first quarter of 2022. On the other hand, the US ADP employment data was far below expectation, and was the lowest since February, bringing more panics to the market. Technically market is under short covering as market has witnessed drop in open interest by -2.21% to settled at 1766 while prices up 9.7 rupees, now Nickel is getting support at 1457 and below same could see a test of 1443.7 levels, and resistance is now likely to be seen at 1482.7, a move above could see prices testing 1495.1.

Trading Idea for the day

Nickel trading range for the day is 1443.7-1495.1.

Nickel prices gained as supply remains tight and LME inventory has fallen from an April peak, mainly due to disruptions

Support also seen demand of nickel from stainless steel sector still exists amid tight nickel supply.

The number of Americans filing new claims for unemployment benefits declined further last week

MCX ALUMINIUM

Technical Chart



Open	High	Low	Close	Net Cng
245.25	249.10	245.10	248.35	3.85
OI	% OI	Volume	Trend	% Cng
1989.00	32.60	4853.00	Positive	1.57

Fundamentals

Aluminium yesterday settled up by 0.73% at 205.8 after data showed that China's social inventories of aluminium across eight consumption areas fell 26,000 mt on the week to 732,000 mt as of August 5. The decrease was mainly due to the low arrivals in Gongyi and Hainan. The arrivals in Henan was also affected by the inefficient truck transportation in the pandemic. The outbound quantity of aluminium billet decreased 7,100 mt or 13.4% to 46,100 mt last week, as downstream purchase was quiet amid the surging aluminium prices. The stocks of aluminium billet in five major consumption areas increased by 4,200 mt to 103,200 mt from the previous week, a slight increase of 4.2%. Asia's factories hit a rough patch in July as rising input costs and a new wave of coronavirus infections overshadowed solid global demand, highlighting the fragile nature of the region's recovery. Manufacturing activity rose in export powerhouses Japan and South Korea, though firms suffered from supply chain disruptions and raw material shortages that pushed up costs. China's factory activity growth slipped sharply in July as demand contracted for the first time in over a year, a private survey showed, broadly aligning with an official survey showing a slowdown in activity. Technically market is under short covering as market has witnessed drop in open interest by -1.39% to settled at 2124 while prices up 1.5 rupees, now Aluminium is getting support at 204.9 and below same could see a test of 204 levels, and resistance is now likely to be seen at 206.4, a move above could see prices testing 207.

Trading Idea for the day

Aluminium trading range for the day is 204-207.

Aluminium gains after data showed that China's social inventories of aluminium fell 26,000 mt on the week to 732,000 mt.

The outbound quantity of aluminium billet decreased 7,100 mt or 13.4% to 46,100 mt last week

Asian factory activity hit by rising costs, Delta variant



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