

Daily Commodity Analysis Report

Monday, August 9, 2021
Monday



MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA
Gold	1 Kg	46640.00	-2.02	-2.92	-2.24	-7.00	-19.74	SELL	SELL	SELL
Silver	30 Kg	65000.00	-2.98	-4.38	-6.94	-4.56	-17.00	SELL	SELL	SELL
\$Gold	100 Tr. Oz	1738.40	-1.43	-2.92	-1.93	-7.13	-17.05	SELL	SELL	SELL
\$ Silver	5000 Tr. Oz	23.909	-1.69	-4.71	-7.53	-7.69	-18.78	SELL	SELL	SELL
Crude	100 BBL	5096.00	-0.51	-8.26	-7.87	44.61	38.15	SELL	BUY	BUY
Nat.Gas	1250 mmBtu	309.90	0.45	6.42	11.87	70.18	47.24	BUY	BUY	BUY
\$ Crude	1,000 Barrels	68.28	-1.17	-8.32	-8.18	40.55	38.25	SELL	BUY	BUY
\$ Nat. Gas	10000 mmBtu	4.14	0	6.42	11.87	70.18	47.24	BUY	BUY	BUY
Aluminium	5MT	205.85	0.02	-0.44	2.99	45.73	28.64	BUY	BUY	BUY
Copper	2500Kg	732.50	0.14	-2.62	1.69	23.17	29.56	BUY	BUY	BUY
Lead	5MT	176.30	-0.23	-0.54	-1.45	13.96	12.28	BUY	BUY	BUY
Nickel	1500Kg	1459.20	-0.75	-1.71	7.24	20.38	24.49	BUY	BUY	BUY
Zinc	5MT	247.05	-0.52	-0.45	3.64	34.74	22.59	BUY	BUY	BUY
LME Alum	25 Tonnes	2592.00	0.33	-0.54	3.00	30.45	31.18	BUY	BUY	BUY
LME Copp	25,000 Lbs.	9448.50	-0.23	-2.58	1.69	22.14	31.51	SELL	SELL	BUY
LME Lead	5 Tonnes	2290.00	0.35	-4.27	-0.48	14.76	14.37	SELL	SELL	BUY
LME Nickel	250 Kg	18960.00	-1.3	-1.87	6.19	15.93	24.75	BUY	BUY	BUY
LME Zinc	5 Tonnes	2983.00	-0.25	-1.37	2.09	8.79	19.61	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

SMIFS Limited

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**SMIFS
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LEGACY | TRUST | GROWTH

Currency Snapshot

Currency	Last	% Cng	
USDINR	74.30	0.02	▲
EURINR	87.78	-0.33	▼
GBPINR	103.34	-0.05	▼
JPYINR	67.68	-0.31	▼
EURUSD	1.1756	-0.05	▼
GBPUSD	1.3865	-0.06	▼
USDJPY	110.22	-0.01	▼
Dollar Index	92.82	0.60	▲

Indices Snapshot

Indices	Last	Change	
NIFTY	16238.20	-0.35	▼
SENSEX	54277.72	-0.39	▼
HANGSENG	26179.40	-0.10	▼
NIKKEI	27820.04	0.33	▲
STRAITS	3177.18	0.07	▲
CAC 40	6797.65	0.24	▲
DAX	15758.06	0.09	▲
DJIA	35064.25	0.78	▲
NASDAQ	14895.12	0.78	▲
JAKARTA	6203.43	-0.03	▼
KOSPI	3270.36	-0.18	▼

LME Stock Snapshot

Commodity	Stock	Cng
LME Aluminium	1353050	-2550
LME Copper	235250	-850
LME Lead	58750	-100
LME Nickel	208590	-1308
LME Zinc	249025	4700

Economical Data

Time	Currency	Data	Fcst	Prev
11:30am	EUR	German Trade Balance	13.9B	12.6B
2:00pm	EUR	Sentix Investor Confidence	29.2	29.8
7:30pm	USD	FOMC Member Bostic Speaks		
7:30pm	USD	JOLTS Job Openings	9.27M	9.21M
9:30pm	USD	FOMC Member Barkin Speaks		

Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	46640.00	13741	7.23	Fresh Selling
Silver	65000.00	12074	29.79	Fresh Selling
Crude	5096.00	6499	4.79	Fresh Selling
Nat.Gas	309.90	14414	-4.37	Short Covering
Aluminium	205.85	1970	-7.25	Short Covering
Copper	732.50	4168	-14.8	Short Covering
Lead	176.30	896	-18.69	Long Liquidation
Nickel	1459.20	1643	-6.96	Long Liquidation
Zinc	247.05	1620	-18.55	Long Liquidation

Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	46640.00	46776.00	136.00	205.00	-69.00
Silver	65000.00	65820.00	820.00	856.00	-36.00
Crude	5096.00	5097.00	1.00	-6.00	7.00
Nat.Gas	309.90	311.50	1.60	1.20	0.40
Aluminium	205.85	205.30	-0.55	-0.70	0.15
Copper	732.50	735.50	3.00	3.05	-0.05
Lead	176.30	177.50	1.20	1.15	0.05
Nickel	1459.20	1456.40	-2.80	-3.50	0.70
Zinc	247.05	243.60	-3.45	-3.35	-0.10

Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	71.75	100.90	65.55	76.58
Gold / Crude Ratio	9.15	19.58	8.37	13.40
Gold / Copper Ratio	63.67	112.33	59.19	83.10
Silver / Crude Ratio	12.76	25.03	12.33	17.35
Silver / Copper Ratio	88.74	147.81	87.51	107.93
Zinc / Lead Ratio	140.13	141.74	111.81	131.01
Crude / Nat.Gas Ratio	16.44	25.87	10.60	19.79

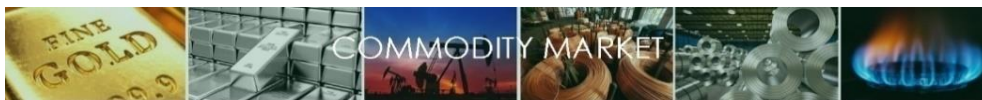
Commodity Market Daily Trading Levels

Commodity	Close	Support 3	Support 2	Support 1	Pivot Point	Resist 1	Resist 2	Resist 3	Trend
Gold	46640.00	45254.00	45905.00	46272.00	46923.00	47290.00	47941.00	48308.00	Negative
Silver	65000.00	61755.00	63197.00	64098.00	65540.00	66441.00	67883.00	68784.00	Negative
\$ Gold	1763.16	1606.40	1643.30	1690.80	1727.70	1775.20	1812.10	1859.60	Negative
\$ Silver	24.30	20.50	21.40	22.60	23.50	24.70	25.60	26.80	Negative
Crude oil	5096.00	4851.00	4946.00	5021.00	5116.00	5191.00	5286.00	5361.00	Negative
Natural Gas	309.90	298.80	301.60	305.70	308.50	312.60	315.40	319.50	Positive
\$ Crude oil	68.28	65.47	66.70	67.49	68.72	69.51	70.74	71.53	Negative
\$ Natural Gas	4.1400	4.0020	4.0500	4.0950	4.1430	4.1880	4.2360	4.2810	Positive
Aluminium	205.85	201.80	203.50	204.70	206.40	207.60	209.30	210.50	Positive
Copper	732.50	717.90	724.30	728.40	734.80	738.90	745.30	749.40	Positive
Lead	176.30	172.50	173.60	175.00	176.10	177.50	178.60	180.00	Negative
Nickel	1459.20	1419.00	1437.10	1448.20	1466.30	1477.40	1495.50	1506.60	Negative
Zinc	247.05	240.70	243.00	245.10	247.40	249.50	251.80	253.90	Negative
LME Aluminium	2583.50	2514.50	2544.50	2564.00	2594.00	2613.50	2643.50	2663.00	Positive
LME Copper	9470.00	9261.17	9356.33	9413.17	9508.33	9565.17	9660.33	9717.17	Positive
LME Lead	2282.00	2153.83	2210.67	2246.33	2303.17	2338.83	2395.67	2431.33	Negative
LME Nickel	19210.00	18655.00	18910.00	19060.00	19315.00	19465.00	19720.00	19870.00	Negative
LME Zinc	2990.50	2893.67	2929.83	2960.17	2996.33	3026.67	3062.83	3093.17	Negative

Latest News Update

The Bank of England hinted at "modest tightening" in a three-year horizon as policymakers expect inflation to temporarily reach 4 percent. The bank kept its key interest rate and quantitative easing unchanged. The central bank cautioned that the economy is set to undergo a "more pronounced" period of above-target inflation in the near-term than previously projected, before returning close to the 2 percent over the medium-term. The Monetary Policy Committee voted 8-0 to leave the key interest rate unchanged at a historic low of 0.10 percent. The central bank also retained the existing stock of corporate bond purchases at GBP 20 billion and the government bond purchases at GBP 875 billion, taking the size of total quantitative easing to GBP 895 billion. The MPC voted unanimously to retain corporate bond purchases, while policymaker Michael Saunders sought to reduce government bond purchases by GBP 45 billion to GBP 830 billion.

Factory activity in India bounced back in July as demand surged both at home and abroad, prompting companies to create new jobs for the first time since the onset of the pandemic, a private sector survey showed. The Manufacturing Purchasing Managers' Index, compiled by IHS Markit, jumped to 55.3 last month from 48.1 in June, well above 50-level separating growth from contraction. India grappled with a devastating second wave of coronavirus infections in April and May but falling case numbers have allowed many restrictions to be eased. The country is still reporting more than 40,000 cases per day, taking the total number of infections to around 31.6 million, but the economic re-opening induced higher demand and sales, leading to a sharp expansion in output. Employment rose for the first time since March 2020, breaking a 15-month chain of job shedding. However, the pace of hiring was mild, indicating a job crisis is still evident.



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MCX GOLD

Technical Chart



Open	High	Low	Close	Net Cng
47500.00	47574.00	46556.00	46640.00	-963.00
OI	% OI	Volume	Trend	% Cng
13741.00	7.23	10803.00	Negative	-2.02

Fundamentals

Gold yesterday settled down by -2.02% at 46640 after a strong U.S. jobs report boosted expectations the Federal Reserve could begin tapering its economic support sooner than previously anticipated. The U.S. non-farm payrolls (NFP) report showed 943,000 jobs were added last month, exceeding expectations for a gain of 870,000. Fears over the central bank cutting back on its stimulus programme have been brewing in recent days after Fed Vice Chair Richard Clarida and Fed Governor Christopher Waller suggested asset purchase tapering may come sooner. The dollar and benchmark 10-year Treasury yields also rose after the data, dealing a further blow to bullion's appeal. India's physical gold market flipped into a small premium this week for the first time in a month as prices eased although activity was still subdued, while buyers in other Asian hubs also stayed on the sidelines. Dealers in India charged premiums of up to \$1 an ounce over official domestic prices compared to last week's \$4 discounts. India's gold imports in July more than doubled from a year earlier to a three-month high. In top consumer China, premiums of \$1-\$4 were charged over global benchmark spot gold prices, while \$0.80-\$1.80 were charged in Hong Kong, both unchanged from last week. Technically market is under fresh selling as market has witnessed gain in open interest by 7.23% to settled at 13741 while prices down -963 rupees, now Gold is getting support at 46272 and below same could see a test of 45905 levels, and resistance is now likely to be seen at 47290, a move above could see prices testing 47941.

Trading Idea for the day

Gold trading range for the day is 45905-47941.

Gold prices slid after a strong U.S. jobs report boosted expectations the Federal Reserve could begin tapering its economic support sooner than previously anticipated.

The U.S. non-farm payrolls (NFP) report showed 943,000 jobs were added last month, exceeding expectations for a gain of 870,000.

The dollar and benchmark 10-year Treasury yields also rose after the data, dealing a further blow to bullion's appeal.

MCX SILVER

Technical Chart



Open	High	Low	Close	Net Cng
66819.00	66982.00	64639.00	65000.00	-1998.00
OI	% OI	Volume	Trend	% Cng
12074.00	29.79	19153.00	Negative	-2.98

Fundamentals

Silver yesterday settled down by -2.98% at 65000 after a U.S. government report showed jobs grew more than expected, pushing up bond yields and adding to arguments for faster tightening of U.S. monetary policy. The report showed that nonfarm payrolls increased by 943,000 jobs in July. The news rekindled dollar momentum from midweek when Federal Reserve Vice Chair Richard Clarida suggested that conditions for hiking interest rates might be met as soon as late 2022. Fed officials have said that improving employment is critical to when they begin to pull back further on extra support the provided for the economy in the pandemic. Clarida's remarks lifted Treasury yields after five weeks of declines while "real" yields, excluding inflation, are set to snap a six-week streak of declines. Expectations for a strong set of U.S. jobs numbers had been heightened somewhat when initial claims for state unemployment benefits fell by 14,000 to 385,000 in the week ended July 31. The Commerce Department released a report showing wholesale inventories in the U.S. increased by more than expected in the month of June. The report showed wholesale inventories jumped by 1.1 percent in June after surging up by 1.3 percent in May. Inventories of durable goods shot up by 1.4 percent during the month, while inventories of non-durable goods rose by 0.6 percent. Technically market is under fresh selling as market has witnessed gain in open interest by 29.79% to settled at 12074 while prices down -1998 rupees, now Silver is getting support at 64098 and below same could see a test of 63197 levels, and resistance is now likely to be seen at 66441, a move above could see prices testing 67883.

Trading Idea for the day

Silver trading range for the day is 63197-67883.

Silver dropped after a U.S. government report showed jobs grew more than expected

The report showed that nonfarm payrolls increased by 943,000 jobs in July.

Federal Reserve Vice Chair Richard Clarida suggested that conditions for hiking interest rates might be met as soon as late 2022.

MCX CRUDEOIL

Technical Chart



Open	High	Low	Close	Net Cng
5130.00	5211.00	5041.00	5096.00	-26.00
OI	% OI	Volume	Trend	% Cng
6499.00	4.79	74649.00	Negative	-0.51

Fundamentals

Crude oil yesterday settled down by -0.51% at 5096 on concerns over the impact on fuel demand from travel restrictions to curb the spread of the Delta variant of COVID-19. 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. China has imposed new restrictions on travel in a bid to curb the spread of the Delta variant of the coronavirus. South Korea has extended its social distancing curbs by two weeks across most part of the country. 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. Midwest crude inventories fell to 118.3 million barrels, lowest since October 2018. U.S. crude production rose 80,000 barrels per day in May to 11.231 million bpd, according to a monthly government report. The Energy Information Administration also revised its estimate of April production by 18,000 bpd to 11.151 mln bpd. Technically market is under fresh selling as market has witnessed gain in open interest by 4.79% to settled at 6499 while prices down -26 rupees, now Crude oil is getting support at 5021 and below same could see a test of 4946 levels, and resistance is now likely to be seen at 5191, a move above could see prices testing 5286.

Trading Idea for the day

Crude oil trading range for the day is 4946-5286.

Crude oil dropped on concerns over the impact on fuel demand from travel restrictions to curb the spread of the Delta variant of COVID-19.

U.S. crude stockpiles rise, gasoline draws down – EIA

U.S. crude production rose 80,000 bpd in May to 11.231 mbpd

MCX NATURALGAS

Technical Chart



Open	High	Low	Close	Net Cng
306.90	311.30	304.40	309.90	1.40
OI	% OI	Volume	Trend	% Cng
14414.00	-4.37	173854.00	Positive	0.45

Fundamentals

Nat.Gas yesterday settled up by 0.45% at 309.9 on forecasts for hotter weather over the next two weeks than earlier expected and the storage build came in smaller-than-expected. However upside seen limited amid forecasts for slightly less hot weather over the next two week than previously expected. 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 short covering as market has witnessed drop in open interest by -4.37% to settled at 14414 while prices up 1.4 rupees, now Natural gas is getting support at 305.7 and below same could see a test of 301.6 levels, and resistance is now likely to be seen at 312.6, a move above could see prices testing 315.4.

Trading Idea for the day

Natural gas trading range for the day is 301.6-315.4.

Natural gas seen supported on forecasts for hotter weather over the next two weeks than earlier expected and the storage build came in smaller-than-expected.

However upside seen limited amid forecasts for slightly less hot weather over the next two week than previously expected.

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
732.70	741.20	730.70	732.50	1.05
OI	% OI	Volume	Trend	% Cng
4168.00	-14.80	15873.00	Positive	0.14

Fundamentals

Copper yesterday settled up by 0.14% at 732.5 as a union at the world's biggest copper mine, Chile's Escondida, told workers to prepare for a strike that would reduce supply of the metal. However, prices were still down in the week due to concerns that demand in top consumer China, currently grappling with a coronavirus outbreak, will weaken. More than 2,000 union members at the Escondida mine rejected a contract offer. Local law requires five days of mediation after a contract is rejected, followed by a possible five-day extension if a deal cannot be reached. China's robust export growth likely moderated in July. China's factory activity also expanded in July at the slowest pace in 17 months. On the macro front, the seasonally-adjusted first claims of unemployment benefits in the US shrank 14000 to 385000, falling for two weeks in a row. The labour market was recovering steadily, but the spreading Delta variant would risk the repair process. Some manufacturing PMI from the euro zone fell short of expectation, weakening market forecast of cut-back on debt purchasing. Data showed that the stocks of copper in Shanghai bonded areas fell 17,500 mt from last Friday July 30 to 392,100 mt as of August 6, falling for four consecutive weeks. Technically market is under short covering as market has witnessed drop in open interest by -14.8% to settled at 4168 while prices up 1.05 rupees, now Copper is getting support at 728.4 and below same could see a test of 724.3 levels, and resistance is now likely to be seen at 738.9, a move above could see prices testing 745.3.

Trading Idea for the day

Copper trading range for the day is 724.3-745.3.
Copper prices rose as a union at the world's biggest copper mine, Chile's Escondida, told workers to prepare for a strike that would reduce supply of the metal.
More than 2,000 union members at the Escondida mine rejected a contract offer.
However, prices were still down in the week due to concerns that demand in top consumer China, currently grappling with a coronavirus outbreak, will weaken.

MCX ZINC

Technical Chart



Open	High	Low	Close	Net Cng
248.50	249.75	245.35	247.05	-1.30
OI	% OI	Volume	Trend	% Cng
1620.00	-18.55	4845.00	Negative	-0.52

Fundamentals

Zinc yesterday settled down by -0.52% at 247.05 as pressure after data showed that social inventories of zinc ingots across Shanghai, Tianjin, Guangdong, Jiangsu, Zhejiang, Shandong and Hebei increased 1300 mt from last Friday July 30 to 117300 mt, but down 4100 from Monday (August 2). Overall domestic social inventories increased slightly from last week. Among them, inventories in Shanghai climbed up due to decreased demand as the downstream was consuming released government reserves. China's robust export growth likely moderated in July amid an acceleration in COVID-19 cases globally and continuing severe pressure on global supply chains. Although there are signs China's strong industrial recovery in the first half of the year may be losing some momentum, overseas demand has remained strong in recent months even as factories in many countries return from lockdowns. On the macro front, Fed governor Waller was quite positive about the economy outlook, and he anticipated an earlier end to QE. However, Minneapolis Fed president pointed out that an increase in unemployment population from 7 million to 9 million indicated a troubled labour market. From the fundamentals, re-stocking of social inventory in China is unlikely to change the overall low inventory as a result of power restrictions. Technically market is under long liquidation as market has witnessed drop in open interest by -18.55% to settled at 1620 while prices down -1.3 rupees, now Zinc is getting support at 245.1 and below same could see a test of 243 levels, and resistance is now likely to be seen at 249.5, a move above could see prices testing 251.8.

Trading Idea for the day

Zinc trading range for the day is 243-251.8.
Zinc prices dropped as pressure after data showed that social inventories of zinc ingots increased 1300 mt from last Friday July 30.
Inventories in Shanghai climbed up due to decreased demand as the downstream was consuming released government reserves.
China's robust export growth likely moderated in July amid an acceleration in COVID-19 cases globally

MCX NICKEL

Technical Chart



Open	High	Low	Close	Net Cng
732.70	741.20	730.70	732.50	1.05
OI	% OI	Volume	Trend	% Cng
4168.00	-14.80	15873.00	Positive	0.14

Fundamentals

Nickel yesterday settled down by -0.75% at 1459.2 as US dollar index extended its upward momentum after the US labour report showed non-farm payrolls grew by 943K, the most in 11 months and easily beating market expectations. A stronger-than-expected number could make the case for faster US policy tightening. Tightened supply sustained, and stainless steel maintained a hectic production schedule. China's robust export growth likely moderated in July amid an acceleration in COVID-19 cases globally and continuing severe pressure on global supply chains. Although there are signs China's strong industrial recovery in the first half of the year may be losing some momentum, overseas demand has remained strong in recent months even as factories in many countries return from lockdowns. Nickel ore inventories across all Chinese ports decreased 63,000 wmt from July 30 to 5.767 million wmt as of August 6, data showed. In Ni content, the stocks stood at 45,400 mt. Data also showed that nickel ore stocks across seven major Chinese ports shrank 163,000 wmt during the same period to 3.609 million wmt. Pick up of nickel ore were frequent at ports, which led to further decrease of inventories. However, production demand of iron companies was still unfulfilled amid the peak of nickel ore delivery, and re-stocking at ports slowed down. Technically market is under long liquidation as market has witnessed drop in open interest by -6.96% to settled at 1643 while prices down -11 rupees, now Nickel is getting support at 1448.2 and below same could see a test of 1437.1 levels, and resistance is now likely to be seen at 1477.4, a move above could see prices testing 1495.5.

Trading Idea for the day

Nickel trading range for the day is 1437.1-1495.5.
 Nickel prices dropped as US dollar index extended its upward momentum after the US labour report showed non-farm payrolls grew by 943K, the most in 11 months
 Nickel ore inventories across all Chinese ports decreased 63,000 wmt from July 30 to 5.767 million wmt
 Tightened supply sustained, and stainless steel maintained a hectic production schedule.

MCX ALUMINIUM

Technical Chart



Open	High	Low	Close	Net Cng
248.50	249.75	245.35	247.05	-1.30
OI	% OI	Volume	Trend	% Cng
1620.00	-18.55	4845.00	Negative	-0.52

Fundamentals

Aluminium yesterday settled up by 0.02% at 205.85 as power and productions restrictions were extended to more aluminium companies in Guangxi, further tightening supply. And the market was confident about the prolonged de-stocking of aluminium ingot. Now focus will be the influences of pandemic on transportation and production in central and east China. On the macro front, the seasonally-adjusted first claims of unemployment benefits in the US shrank 14000 to 385000, falling for two weeks in a row. The labour market was recovering steadily, but the spreading Delta variant would risk the repair process. Some manufacturing PMI from the euro zone fell short of expectation, weakening market forecast of cut-back on debt purchasing. 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. Technically market is under short covering as market has witnessed drop in open interest by -7.25% to settled at 1970 while prices up 0.05 rupees, now Aluminium is getting support at 204.7 and below same could see a test of 203.5 levels, and resistance is now likely to be seen at 207.6, a move above could see prices testing 209.3.

Trading Idea for the day

Aluminium trading range for the day is 203.5-209.3.
 Aluminium remained supported as power and productions restrictions were extended to more aluminium companies in Guangxi, further tightening supply.
 Now focus will be the influences of pandemic on transportation and production in central and east China.
 The labour market was recovering steadily, but the spreading Delta variant would risk the repair process.



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