

# Daily Commodity Analysis Report

Friday, August 20, 2021  
Friday



## COMMODITY MARKET

### MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA
Gold	1 Kg	47169.00	0.08	1.04	-1.61	-6.02	-12.30	SELL	SELL	SELL
Silver	30 Kg	62133.00	-0.56	-4.03	-10.56	-8.25	-13.75	SELL	SELL	SELL
\$Gold	100 Tr. Oz	1782.79	0.15	0.93	-1.59	-6.26	-9.79	SELL	SELL	SELL
\$ Silver	5000 Tr. Oz	23.238	0.25	-4.78	-11.93	-11.90	-18.51	SELL	SELL	SELL
Crude	100 BBL	4722.00	-3.12	-4.55	-15.08	38.31	35.19	SELL	SELL	BUY
Nat.Gas	1250 mmBtu	284.50	-0.66	-8.21	3.91	57.28	43.33	BUY	BUY	BUY
\$ Crude	1,000 Barrels	63.50	-2.62	-5.53	-16.70	33.18	34.68	SELL	SELL	BUY
\$ Nat. Gas	10000 mmBtu	3.83	-0.57	-8.21	3.91	57.28	43.33	BUY	BUY	BUY
Aluminium	5MT	204.75	-1.18	0.65	3.64	46.69	30.43	BUY	BUY	BUY
Copper	2500Kg	684.40	-1.42	-5.51	-4.54	16.74	27.46	SELL	SELL	BUY
Lead	5MT	179.15	0	1.59	-0.03	15.80	14.26	BUY	BUY	BUY
Nickel	1500Kg	1398.50	-2.58	-1.64	2.13	18.43	25.77	BUY	BUY	BUY
Zinc	5MT	244.85	-0.93	0.04	2.87	34.80	24.20	BUY	BUY	BUY
LME Alum	25 Tonnes	2561.00	0.67	-1.35	0.43	28.70	30.82	BUY	BUY	BUY
LME Copp	25,000 Lbs.	8973.00	0.99	-5.11	-4.35	16.20	30.41	SELL	SELL	BUY
LME Lead	5 Tonnes	2261.50	0.24	0.59	-0.57	15.44	14.99	SELL	SELL	BUY
LME Nickel	250 Kg	18630.00	1.11	-2.26	0.32	13.37	25.29	BUY	BUY	BUY
LME Zinc	5 Tonnes	2961.50	0.59	-0.42	1.38	8.33	20.58	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



## Daily Commodity Analysis Report

Friday, August 20, 2021



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### Currency Snapshot

Currency	Last	% Cng	
USDINR	74.32	-0.15	▼
EURINR	87.10	-0.62	▼
GBPINR	102.24	-0.43	▼
JPYINR	67.71	-0.60	▼
EURUSD	1.1679	0.02	▲
GBPUSD	1.3624	-0.06	▼
USDJPY	109.74	-0.02	▼
Dollar Index	93.58	0.02	▲

### Indices Snapshot

Indices	Last	Change	
NIFTY	16568.85	-0.28	▼
SENSEX	55629.49	-0.29	▼
HANGSENG	25316.33	-2.13	▼
NIKKEI	27281.17	-1.10	▼
STRAITS	3086.97	-1.42	▼
CAC 40	6599.65	-2.52	▼
DAX	15672.32	-1.84	▼
DJIA	34960.69	-1.08	▼
NASDAQ	14525.91	-0.89	▼
JAKARTA	5992.32	-2.06	▼
KOSPI	3097.83	-1.93	▼

### LME Stock Snapshot

Commodity	Stock	Cng
LME Aluminium	1309700	-5425
LME Copper	245125	
LME Lead	57050	-400
LME Nickel	198486	-624
LME Zinc	228350	-2875

### Economical Data

Time	Currency	Data	Fcst	Prev
11:30am	EUR	German WPI m/m	0.009	0.015
12:15pm	EUR	French Final CPI m/m	0.001	0.001
2:30pm	EUR	Trade Balance	10.9B	9.4B
6:00pm	USD	Import Prices m/m	0.006	0.01
7:30pm	USD	Prelim UoM Consumer Sentiment	81.2	81.2
7:30pm	USD	Prelim UoM Inflation Expectations		0.047

### Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	47169.00	12240	0.92	Fresh Buying
Silver	62133.00	10552	1.61	Fresh Selling
Crude	4722.00	6424	11.1	Fresh Selling
Nat.Gas	284.50	6428	-5.3	Long Liquidation
Aluminium	204.75	1360	-9.15	Long Liquidation
Copper	684.40	4996	-6.86	Long Liquidation
Lead	179.15	918	-7.37	Long Liquidation
Nickel	1398.50	1589	0.82	Fresh Selling
Zinc	244.85	943	-16.92	Long Liquidation

### Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	47169.00	47334.00	165.00	193.00	-28.00
Silver	62133.00	62917.00	784.00	753.00	31.00
Crude	4722.00	4728.00	6.00	7.00	-1.00
Nat.Gas	284.50	286.00	1.50	1.60	-0.10
Aluminium	204.75	203.15	-1.60	-2.30	0.70
Copper	684.40	686.25	1.85	3.35	-1.50
Lead	179.15	177.30	-1.85	-1.55	-0.30
Nickel	1398.50	1390.60	-7.90	-6.50	-1.40
Zinc	244.85	242.30	-2.55	-2.85	0.30

### Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	75.92	100.90	65.55	76.53
Gold / Crude Ratio	9.99	19.58	8.37	13.30
Gold / Copper Ratio	68.92	112.33	59.19	82.63
Silver / Crude Ratio	13.16	25.03	12.18	17.23
Silver / Copper Ratio	90.78	147.81	84.90	107.39
Zinc / Lead Ratio	136.67	141.74	111.81	131.20
Crude / Nat.Gas Ratio	16.60	25.87	10.60	19.72

#### Commodity Market Daily Trading Levels

Commodity	Close	Support 3	Support 2	Support 1	Pivot Point	Resist 1	Resist 2	Resist 3	Trend
Gold	47169.00	46101.00	46587.00	46878.00	47364.00	47655.00	48141.00	48432.00	Positive
Silver	62133.00	61111.00	61596.00	61865.00	62350.00	62619.00	63104.00	63373.00	Negative
\$ Gold	1779.79	1770.70	1774.10	1778.40	1781.80	1786.10	1789.50	1793.80	Positive
\$ Silver	23.23	23.00	23.10	23.10	23.20	23.20	23.30	23.30	Negative
Crude oil	4722.00	4564.00	4613.00	4668.00	4717.00	4772.00	4821.00	4876.00	Negative
Natural Gas	284.50	271.10	274.60	279.60	283.10	288.10	291.60	296.60	Negative
\$ Crude oil	63.50	60.97	61.83	62.67	63.53	64.37	65.23	66.07	Negative
\$ Natural Gas	3.8300	3.6020	3.6680	3.7490	3.8150	3.8960	3.9620	4.0430	Negative
Aluminium	204.75	202.10	203.10	204.00	205.00	205.90	206.90	207.80	Negative
Copper	684.40	660.00	666.50	675.50	682.00	691.00	697.50	706.50	Negative
Lead	179.15	176.30	176.90	178.10	178.70	179.90	180.50	181.70	Range
Nickel	1398.50	1353.60	1373.50	1386.00	1405.90	1418.40	1438.30	1450.80	Negative
Zinc	244.85	239.30	241.10	243.00	244.80	246.70	248.50	250.40	Negative
LME Aluminium	2544.00	2460.00	2488.00	2516.00	2544.00	2572.00	2600.00	2628.00	Negative
LME Copper	8885.00	8344.67	8542.33	8713.67	8911.33	9082.67	9280.33	9451.67	Negative
LME Lead	2256.00	2156.33	2198.67	2227.33	2269.67	2298.33	2340.67	2369.33	Range
LME Nickel	18425.00	17591.67	17968.33	18196.67	18573.33	18801.67	19178.33	19406.67	Negative
LME Zinc	2944.00	2826.17	2871.33	2907.67	2952.83	2989.17	3034.33	3070.67	Negative

#### Latest News Update

Minneapolis Federal Reserve President Neel Kashkari said that it could be "reasonable" to start reducing the Fed's bond-buying program later this year, though it would depend on making further progress in the labor market. "It is a question of when, not a question of if" the Fed will slow its bond-buying, currently at \$120 billion each month, Kashkari said. "There's a lot of public discussion about, will it be at the end of this year, will it be the beginning of next year: Those seem like reasonable ranges of deliberation, but ultimately it will be driven by the data." Coming from one of the Fed's most dovish policymakers, the remarks suggest there may be little opposition within the central bank to dialing down the Fed's massive support for the economy even with, as Kashkari noted, "a lot of slack" yet in the labor market. The Fed's purchases of Treasuries and mortgage-backed securities is aimed at bolstering growth by pushing down long-term borrowing costs.

Japan's exports marked a fifth straight month of double-digit growth in July, driven by U.S.-bound shipments of automobiles in a positive sign for an export-led economy, although a key gauge of capital spending fell for the first time in four months. The mixed batch of indicators underscored fragility in the world's third-largest economy, which grew 1.3% in the April-June quarter due to solid exports and a surprise gain in private consumption. However, prolonged coronavirus curbs on bars, restaurants and other face-to-face service sector businesses cloud the outlook, piling pressure on Prime Minister Yoshihide Suga to deploy another big stimulus package. Ministry of Finance data showed Japanese exports grew 37.0% year-on-year in July, a tad slower than a 39.0% increase expected, although the gain was exaggerated by the contrast to the prior year's COVID-induced slump. By region, exports to China, Japan's largest trading partner, rose 18.9% in the year to July, led by chip-making equipment and plastic, the data showed.

### MCX GOLD

#### Technical Chart



Open	High	Low	Close	Net Cng
47211.00	47850.00	47073.00	47169.00	37.00
OI	% OI	Volume	Trend	% Cng
12240.00	0.92	4000.00	Positive	0.08

#### Fundamentals

Gold yesterday settled up by 0.08% at 47169 as a worldwide spike in COVID-19 infections and some signs the economy is slowing in both China and the US offered some support to the yellow metal. Still, a stronger dollar weighed as the Fed signalled it would start reducing asset purchases this year. Minutes from the Fed's July meeting showed the US central bank seeing the potential to ease the bond-buying program if the economy continues to improve as expected. Federal Reserve officials felt their employment benchmark for decreasing support for the economy "could be reached this year," but appeared to disagree on other key aspects of where monetary policy should turn next in the transition from the pandemic crisis, according to minutes from last month's policy meeting. The account of the July 27-28 meeting showed Fed officials largely expect that later this year they will reduce the central bank's emergency monthly purchases of \$120 billion of Treasury bonds and mortgage-backed securities. Minneapolis Federal Reserve President Neel Kashkari said that it could be "reasonable" to start reducing the Fed's bond-buying program later this year, though it would depend on making further progress in the labor market. "It is a question of when, not a question of if" the Fed will slow its bond-buying, currently at \$120 billion each month, Kashkari said. Technically market is under fresh buying as market has witnessed gain in open interest by 0.92% to settled at 12240 while prices up 37 rupees, now Gold is getting support at 46878 and below same could see a test of 46587 levels, and resistance is now likely to be seen at 47655, a move above could see prices testing 48141.

#### Trading Idea for the day

Gold trading range for the day is 46587-48141.

Gold steadied as a worldwide spike in COVID-19 infections and some signs the economy is slowing in both China and the US offered some support.

Still, a stronger dollar weighed as the Fed signalled it would start reducing asset purchases this year.

The US central bank seeing the potential to ease the bond-buying program if the economy continues to improve as expected.

### MCX SILVER

#### Technical Chart



Open	High	Low	Close	Net Cng
62424.00	62835.00	62081.00	62133.00	-350.00
OI	% OI	Volume	Trend	% Cng
10552.00	1.61	6657.00	Negative	-0.56

#### Fundamentals

Silver yesterday settled down by -0.56% at 62133 as minutes from the US Fed, which showed policymakers agreed to a more hawkish monetary policy stance still this year. The number of Americans filing new claims for unemployment benefits fell for a fourth straight period to a new pandemic low of 348 thousand in the week ending August 14th. Federal Reserve officials felt their employment benchmark for decreasing support for the economy "could be reached this year," but appeared to disagree on other key aspects of where monetary policy should turn next in the transition from the pandemic crisis, according to minutes from last month's policy meeting. The account of the July 27-28 meeting showed Fed officials largely expect that later this year they will reduce the central bank's emergency monthly purchases of \$120 billion of Treasury bonds and mortgage-backed securities. It remains unclear whether the heightened outbreak of the coronavirus Delta variant will have a noticeable impact on the economy, U.S. Federal Reserve Chair Jerome Powell said. Minneapolis Federal Reserve President Neel Kashkari said that it could be "reasonable" to start reducing the Fed's bond-buying program later this year, though it would depend on making further progress in the labor market. Technically market is under fresh selling as market has witnessed gain in open interest by 1.61% to settled at 10552 while prices down -350 rupees, now Silver is getting support at 61865 and below same could see a test of 61596 levels, and resistance is now likely to be seen at 62619, a move above could see prices testing 63104.

#### Trading Idea for the day

Silver trading range for the day is 61596-63104.

Silver dropped as minutes from the US Fed, which showed policymakers agreed to a more hawkish monetary policy stance still this year.

Federal Reserve officials felt their employment benchmark for decreasing support for the economy "could be reached this year."

Fed's Powell: Not certain Delta outbreak will dent recovery

### MCX CRUDEOIL

#### Technical Chart



Open	High	Low	Close	Net Cng
4766.00	4766.00	4662.00	4722.00	-152.00
OI	% OI	Volume	Trend	% Cng
6424.00	11.10	49254.00	Negative	-3.12

#### Fundamentals

Crude oil yesterday settled down by -3.12% at 4722 as the spread of the delta coronavirus variant threatens demand. U.S. crude oil stockpiles last week fell by 3.2 million barrels to 435.5 million barrels, their lowest since January 2020, according to U.S. Energy Information Administration data. U.S. weekly jet fuel product supplied, a proxy for demand, last week rose to about 1.7 million barrels per day, the highest since March 2020, the data showed. U.S. crude stocks and distillate inventories fell while gasoline inventories rose, the Energy Information Administration said. Crude inventories fell by 3.2 million barrels in the week to August 13 to 435.5 million barrels, compared with expectations for a 1.1 million-barrel drop. Crude stocks at the Cushing, Oklahoma, delivery hub fell by 980,000 barrels in the last week, EIA said. U.S. gasoline stocks rose by 696,000 barrels in the week to 228.2 million barrels, the EIA said, compared with expectations for a 1.7 million-barrel drop. U.S. shale oil production is expected to rise to 8.1 million barrels per day (bpd) in September, the highest since April 2020, according to the Energy Information Administration's monthly drilling output report. Technically market is under fresh selling as market has witnessed gain in open interest by 11.1% to settled at 6424 while prices down -152 rupees, now Crude oil is getting support at 4668 and below same could see a test of 4613 levels, and resistance is now likely to be seen at 4772, a move above could see prices testing 4821.

#### Trading Idea for the day

Crude oil trading range for the day is 4613-4821.

Crude oil prices remained under pressure as the spread of the delta coronavirus variant threatens demand.

U.S. crude stockpiles drop to lowest since Jan 2020 – EIA

Crude stocks at the Cushing, Oklahoma, delivery hub fell by 980,000 barrels in the last week, EIA said.

### MCX NATURALGAS

#### Technical Chart



Open	High	Low	Close	Net Cng
286.60	286.60	278.10	284.50	-1.90
OI	% OI	Volume	Trend	% Cng
6428.00	-5.30	99964.00	Negative	-0.66

#### Fundamentals

Nat.Gas yesterday settled down by -0.66% at 284.5 on forecasts for milder weather over the coming weeks that could reduce the use of electricity to power air-conditioning in many parts of the country. Data provider Refinitiv projected average U.S. gas demand, including exports, would rise from 92 billion cubic feet per day (bcfd) this week to 93 bcfd next week. Refinitiv also said gas output in the U.S. Lower 48 states averaged 92 bcfd so far in August, up from 91.6 bcfd in July. That compares with an all-time high of 95.4 bcfd in November 2019. The amount of gas flowing to U.S. LNG export plants is expected to jump to 11 bcfd in the next two weeks. The U.S. Energy Information Administration (EIA) said utilities added 49 billion cubic feet (bcf) of gas into storage during the week ended Aug. 6. Last week's injection boosted stockpiles to 2.776 trillion cubic feet (tcf), or 6.0% below the five-year average of 2.954 tcf for this time of year. Data provider Refinitiv said gas output in the U.S. Lower 48 states rose to an average of 92.0 billion cubic feet per day (bcfd) so far in August from 91.6 bcfd in July. That compares with an all-time high of 95.4 bcfd in November 2019. Technically market is under long liquidation as market has witnessed drop in open interest by -5.3% to settled at 6428 while prices down -1.9 rupees, now Natural gas is getting support at 279.6 and below same could see a test of 274.6 levels, and resistance is now likely to be seen at 288.1, a move above could see prices testing 291.6.

#### Trading Idea for the day

Natural gas trading range for the day is 274.6-291.6.

Natural gas eased on forecasts for milder weather over the coming weeks that could reduce the demand.

The amount of gas flowing to U.S. LNG export plants is expected to jump to 11 bcfd in the next two weeks.

Also this week EIA report will be smaller than the 5-year average due to widespread heat over the US this past week.



### MCX COPPER

#### Technical Chart



Open	High	Low	Close	Net Cng
688.50	688.50	673.00	684.40	-9.85
OI	% OI	Volume	Trend	% Cng
4996.00	-6.86	11960.00	Negative	-1.42

#### Fundamentals

Copper yesterday settled down by -1.42% at 684.4 amid a stronger dollar, demand concerns from the resurgence in Covid-19 and easing supply disruptions. China's refined copper output in July rose 10.4% year on year to 846,000 tonnes, data released by the National Bureau of Statistics showed, with the total also up slightly from the previous month. Meanwhile, residents near MMG Ltd's Las Bambas copper mine in the Peruvian Andes have blocked a road used to transport the metal after a two-week truce. The Andina mine in Chile was operating at a reduced level due to a strike, while workers at Chile's Minera Lumina Copper mine also walked off the job. Yangshan copper premium leaped to \$72 per tonne, its highest since March 3, indicating improving demand to import the metal into top consumer China. U.S. homebuilding fell more than expected in July, the latest sign that surging construction costs and home prices continued to constrain the housing market early in the third quarter. Though the report from the Commerce Department showed a rebound in building permits last month, the increase was led by the volatile multi-family home segment, which will do little to ease an acute housing shortage. Technically market is under long liquidation as market has witnessed drop in open interest by -6.86% to settled at 4996 while prices down -9.85 rupees, now Copper is getting support at 675.5 and below same could see a test of 666.5 levels, and resistance is now likely to be seen at 691, a move above could see prices testing 697.5.

#### Trading Idea for the day

Copper trading range for the day is 666.5-697.5.

Copper prices slumped amid a stronger dollar, demand concerns from the resurgence in Covid-19 and easing supply disruptions.

China July refined copper output up 10.4% y/y

Yangshan copper premium leaped to \$72 per tonne, its highest since March 3, indicating improving demand

### MCX ZINC

#### Technical Chart



Open	High	Low	Close	Net Cng
244.55	246.60	242.95	244.85	-2.30
OI	% OI	Volume	Trend	% Cng
943.00	-16.92	2695.00	Negative	-0.93

#### Fundamentals

Zinc yesterday settled down by -0.93% at 244.85 amid the cooled down market sentiments by the uncertainty of economic recovery. Fed Chairman Powell warned about the uncertainty to economic recovery, and stated that the Fed tools are limited. The US retail sales fell 1.1% in July, which cooled down the optimistic sentiments in the market. The power curtailment has been loosened in Guangxi, Hunan, and Yunnan, but the affected output in August is still higher than expected. The output of zinc ingot is expected to be 494,400 mt in August, and the supply will remain tight. With the seasonal recovery of downstream operations, zinc consumption will increase month-on-month, and zinc ingot inventories are expected to remain at a low level. The U.S. economy likely created 166,000 fewer jobs in the 12 months through March than previously estimated, the Labor Department's Bureau of Labor Statistics said. The reading is a preliminary estimate of the BLS' annual "benchmark" revision to closely watched payrolls data. Japan's economy rebounded more than expected in the second quarter after slumping in the first three months of this year, data showed, a sign consumption and capital expenditure were recovering from the coronavirus pandemic's initial hit. Technically market is under long liquidation as market has witnessed drop in open interest by -16.92% to settled at 943 while prices down -2.3 rupees, now Zinc is getting support at 243 and below same could see a test of 241.1 levels, and resistance is now likely to be seen at 246.7, a move above could see prices testing 248.5.

#### Trading Idea for the day

Zinc trading range for the day is 241.1-248.5.

Zinc prices dropped amid the cooled down market sentiments by the uncertainty of economic recovery.

Fed Chairman Powell warned about the uncertainty to economic recovery, and stated that the Fed tools are limited.

The power curtailment has been loosened in Guangxi, Hunan, and Yunnan, but the affected output in August is still higher than expected.

#### MCX NICKEL

##### Technical Chart



Open	High	Low	Close	Net Cng
688.50	688.50	673.00	684.40	-9.85
OI	% OI	Volume	Trend	% Cng
4996.00	-6.86	11960.00	Negative	-1.42

##### Fundamentals

Nickel yesterday settled down by -2.58% at 1398.5 amid bearish non-ferrous metals caused by less-than-expected retail sales data in July and rising US dollar index. UK inflation data showed a sharper slowdown than expected - though analysts said investors were focused more on the state of the labour market. British inflation fell to the Bank of England's 2% target last month, a slowdown that economists said was most likely a blip as the reopening of the economy after lockdown drives prices higher. The dollar strengthened after the latest Fed meeting minutes showed the central bank will likely start reducing stimulus this year, making dollar-priced metals more expensive to holders of other currencies. Meanwhile, supply worries eased after the main workers' union in the Escondido copper mine in Chile announced it had reached an agreement with BHP to avoid industrial action. Also, recent economic data for the both the US and China pointed to a slowdown in the two world's largest economies. The European Central Bank's new policy guidance can boost inflation expectations, paving the ground to higher interest rates down the line, the ECB's chief economist Philip Lane said. Technically market is under fresh selling as market has witnessed gain in open interest by 0.82% to settled at 1589 while prices down -37.1 rupees, now Nickel is getting support at 1386 and below same could see a test of 1373.5 levels, and resistance is now likely to be seen at 1418.4, a move above could see prices testing 1438.3.

##### Trading Idea for the day

Nickel trading range for the day is 1373.5-1438.3.  
 Nickel prices trended down amid bearish non-ferrous metals caused by less-than-expected retail sales data in July and rising US dollar index.  
 UK inflation data showed a sharper slowdown than expected - though analysts said investors were focused more on the state of the labour market.

British inflation fell to the Bank of England's 2% target last month.

#### MCX ALUMINIUM

##### Technical Chart



Open	High	Low	Close	Net Cng
244.55	246.60	242.95	244.85	-2.30
OI	% OI	Volume	Trend	% Cng
943.00	-16.92	2695.00	Negative	-0.93

##### Fundamentals

Aluminium yesterday settled down by -1.18% at 204.75 as investors became more worried about a slowing economic growth, depressing risk appetite. On the macro front, Fed Chairman Powell warned about the uncertainties in economic outlook against the repeated COVID-19 pandemic, and also said that Fed's facilities had limitations. In the data front, US retail sales in July fell 1.1%, which was wider than expected, indicating consumers' shift to the services sector. China's aluminium imports in July rose 6.1% from the previous month, data released by the General Administration of Customs showed, hitting their highest since September 2020. Imports of unwrought aluminium and products - which include primary metal and unwrought, alloyed aluminium - were 312,086 tonnes last month, up from 294,081 tonnes in June but down 20.2% from bumper shipments a year earlier. Cuts on smelters' electricity usage in some regions are reducing domestic aluminium supply in China, the world's top producer of the metal, underpinning imports that were up 47% year on year in the first seven months of 2021. July was also the last month before Russia, one of China's biggest overseas suppliers of primary aluminium, imposed a tax of a 15% - or a minimum of \$254 a tonne - on aluminium exports. Technically market is under long liquidation as market has witnessed drop in open interest by -9.15% to settled at 1360 while prices down -2.45 rupees, now Aluminium is getting support at 204 and below same could see a test of 203.1 levels, and resistance is now likely to be seen at 205.9, a move above could see prices testing 206.9.

##### Trading Idea for the day

Aluminium trading range for the day is 203.1-206.9.

Aluminium prices dropped as investors became more worried about a slowing economic growth, depressing risk appetite.

Fed Chairman Powell warned about the uncertainties in economic outlook against the repeated COVID-19 pandemic

China's aluminium imports in July rose 6.1% from the previous month, hitting their highest since September 2020.



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