

Daily Commodity Analysis Report

Monday, August 23, 2021
Monday



COMMODITY MARKET

MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA
Gold	1 Kg	47158.00	-0.02	0.46	-1.52	-5.97	-10.59	SELL	SELL	SELL
Silver	30 Kg	61721.00	-0.66	-2.46	-7.91	-9.37	-9.52	SELL	SELL	SELL
\$Gold	100 Tr. Oz	1786.36	0.30	0.08	-1.63	-6.18	-9.33	SELL	SELL	SELL
\$ Silver	5000 Tr. Oz	23.174	0.71	-3.03	-8.29	-12.62	-18.32	SELL	SELL	SELL
Crude	100 BBL	4640.00	-1.74	-9.50	-8.02	31.67	30.80	SELL	SELL	BUY
Nat.Gas	1250 mmBtu	288.50	1.41	0.03	0.17	58.43	38.23	BUY	BUY	BUY
\$ Crude	1,000 Barrels	62.14	-2.14	-11.41	-7.98	28.04	31.01	SELL	SELL	BUY
\$ Nat. Gas	10000 mmBtu	3.85	0.55	0.03	0.17	58.43	38.23	BUY	BUY	BUY
Aluminium	5MT	205.80	0.51	-1.14	5.47	45.70	28.89	BUY	BUY	BUY
Copper	2500Kg	699.95	2.27	-4.77	-3.11	17.70	24.42	SELL	SELL	BUY
Lead	5MT	179.10	-0.03	-0.45	1.06	15.77	12.87	BUY	BUY	BUY
Nickel	1500Kg	1402.40	0.28	-6.19	0.23	15.69	21.32	SELL	BUY	BUY
Zinc	5MT	246.20	0.55	-1.58	1.40	34.28	19.92	BUY	BUY	BUY
LME Alum	25 Tonnes	2580.50	1	-2.19	4.19	29.01	30.22	BUY	BUY	BUY
LME Copp	25,000 Lbs.	9135.00	0.92	-5.18	-3.21	16.74	26.94	SELL	SELL	BUY
LME Lead	5 Tonnes	2295.00	1.5	-3.14	-3.05	13.70	12.16	SELL	SELL	BUY
LME Nickel	250 Kg	18880.00	2.47	-6.84	-1.30	11.19	20.68	SELL	BUY	BUY
LME Zinc	5 Tonnes	2954.00	0.72	-3.14	-0.97	6.69	15.43	SELL	SELL	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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Currency Snapshot

Currency	Last	% Cng	
USDINR	74.42	0.13	▲
EURINR	86.95	-0.18	▼
GBPINR	101.36	-0.86	▼
JPYINR	67.86	0.23	▲
EURUSD	1.1716	0.14	▲
GBPUSD	1.3651	0.21	▲
USDJPY	109.84	0.07	■
Dollar Index	93.33	-0.25	▼

Indices Snapshot

Indices	Last	Change	
NIFTY	16450.50	-0.71	▼
SENSEX	55329.32	-0.54	▼
HANGSENG	24849.72	-1.84	▼
NIKKEI	27013.25	-0.98	▼
STRAITS	3104.28	0.56	▲
CAC 40	6578.46	-0.42	▼
DAX	15685.94	-0.51	▼
DJIA	34894.12	-0.19	▼
NASDAQ	14541.79	0.11	■
JAKARTA	6030.77	0.64	▲
KOSPI	3060.51	-1.20	▼

LME Stock Snapshot

Commodity	Stock	Cng
LME Aluminium	1304950	-4750
LME Copper	251450	6325
LME Lead	57050	
LME Nickel	198114	-372
LME Zinc	232600	4250

Economical Data

Time	Currency	Data	Fcst	Prev
12:45pm	EUR	French Flash Manufacturing PMI	57.1	58
12:45pm	EUR	French Flash Services PMI	56.2	56.8
1:00pm	EUR	German Flash Manufacturing PMI	65.1	65.9
1:00pm	EUR	German Flash Services PMI	61	61.8
1:30pm	EUR	Flash Manufacturing PMI	62	62.8
1:30pm	EUR	Flash Services PMI	59.6	59.8
7:15pm	USD	Flash Manufacturing PMI	62.4	63.4
7:15pm	USD	Flash Services PMI	59.1	59.9
7:30pm	EUR	Consumer Confidence	-5	-4
7:30pm	USD	Existing Home Sales	5.82M	5.86M

Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	47158.00	12045	-1.59	Long Liquidation
Silver	61721.00	10214	-3.2	Long Liquidation
Crude	4640.00	8109	26.23	Fresh Selling
Nat.Gas	288.50	5453	-15.17	Short Covering
Aluminium	205.80	1203	-11.54	Short Covering
Copper	699.95	3683	-26.28	Short Covering
Lead	179.10	809	-11.87	Long Liquidation
Nickel	1402.40	1553	-2.27	Short Covering
Zinc	246.20	695	-26.3	Short Covering

Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	47158.00	47306.00	148.00	165.00	-17.00
Silver	61721.00	62475.00	754.00	784.00	-30.00
Crude	4640.00	4640.00	0.00	6.00	-6.00
Nat.Gas	288.50	290.20	1.70	1.50	0.20
Aluminium	205.80	204.05	-1.75	-1.60	-0.15
Copper	699.95	699.45	-0.50	1.85	-2.35
Lead	179.10	178.00	-1.10	-1.85	0.75
Nickel	1402.40	1392.60	-9.80	-7.90	-1.90
Zinc	246.20	242.45	-3.75	-2.55	-1.20

Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	76.41	100.90	65.55	76.53
Gold / Crude Ratio	10.16	19.58	8.37	13.29
Gold / Copper Ratio	67.37	112.33	59.19	82.58
Silver / Crude Ratio	13.30	25.03	12.18	17.22
Silver / Copper Ratio	88.18	147.81	84.90	107.33
Zinc / Lead Ratio	137.47	141.74	111.81	131.22
Crude / Nat.Gas Ratio	16.08	25.87	10.60	19.70

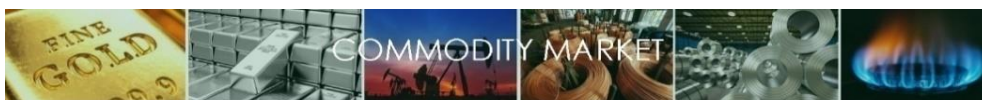
Commodity Market Daily Trading Levels

Commodity	Close	Support 3	Support 2	Support 1	Pivot Point	Resist 1	Resist 2	Resist 3	Trend
Gold	47158.00	46711.00	46888.00	47023.00	47200.00	47335.00	47512.00	47647.00	Negative
Silver	61721.00	60099.00	60663.00	61192.00	61756.00	62285.00	62849.00	63378.00	Negative
\$ Gold	1779.79	1767.30	1771.30	1778.90	1782.90	1790.50	1794.50	1802.10	Negative
\$ Silver	23.01	22.70	22.80	23.00	23.10	23.30	23.40	23.60	Negative
Crude oil	4640.00	4448.00	4541.00	4591.00	4684.00	4734.00	4827.00	4877.00	Negative
Natural Gas	288.50	275.50	280.20	284.40	289.10	293.30	298.00	302.20	Positive
\$ Crude oil	62.14	60.10	61.06	61.60	62.56	63.10	64.06	64.60	Negative
\$ Natural Gas	3.8510	3.6877	3.7603	3.8057	3.8783	3.9237	3.9963	4.0417	Positive
Aluminium	205.80	203.00	204.00	205.00	206.00	207.00	208.00	209.00	Positive
Copper	699.95	674.60	680.60	690.40	696.40	706.20	712.20	722.00	Positive
Lead	179.10	177.00	177.80	178.40	179.20	179.80	180.60	181.20	Negative
Nickel	1402.40	1376.30	1386.50	1394.50	1404.70	1412.70	1422.90	1430.90	Positive
Zinc	246.20	241.70	243.30	244.70	246.30	247.70	249.30	250.70	Positive
LME Aluminium	2555.00	2499.17	2520.33	2537.67	2558.83	2576.17	2597.33	2614.67	Positive
LME Copper	9051.50	8757.00	8824.50	8938.00	9005.50	9119.00	9186.50	9300.00	Positive
LME Lead	2261.00	2218.67	2234.33	2247.67	2263.33	2276.67	2292.33	2305.67	Negative
LME Nickel	18425.00	17993.33	18181.67	18303.33	18491.67	18613.33	18801.67	18923.33	Positive
LME Zinc	2933.00	2826.50	2876.00	2904.50	2954.00	2982.50	3032.00	3060.50	Positive

Latest News Update

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. But consensus on other key issues appeared elusive, including the start date and pace of the bond-buying "taper," and whether the bigger risk to the recovery is posed by inflation, ongoing joblessness, or the lurking chance that a resurgent coronavirus may throw things into reverse.

Japan's core consumer prices narrowed their annual pace of falls for three straight months in July, a sign global commodities inflation was offsetting some of the deflationary pressure from a pandemic-induced spending slump. Japan's core consumer price index (CPI), which includes oil but excludes fresh food prices, fell 0.2% in July from a year earlier, marking the 12th straight month of declines, government data showed. The fall was due in part to a change in the base year for the CPI that gives a heavier weighting to mobile charge fees, which plunged a record 39.6% in July. But the drop was smaller than market forecasts for a 0.4% fall and a 0.5% decrease in June due to the boost from rising food and fuel costs, including a 19.6% spike in gasoline bills. Prices of refrigerators and air conditioners, as well as accommodation fees, also rose in a sign some households were keen to spend after hunkering down during repeated stop-and-go state of emergency curbs.



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MCX GOLD

Technical Chart



Open	High	Low	Close	Net Cng
47250.00	47377.00	47065.00	47158.00	-11.00
OI	% OI	Volume	Trend	% Cng
12045.00	-1.59	5259.00	Negative	-0.02

Fundamentals

Gold yesterday settled down by -0.02% at 47158 with gains curbed by a stronger dollar, while growing concerns over a global economic slowdown due to a spike in COVID-19 infections underpinned the safe-haven metal. Worries over a slowing economic recovery and possible tapering from the Federal Reserve dented appetite for riskier assets. Against the backdrop of recent tapering hints from the U.S. central bank, spotlight shifts to the Fed's annual get-together next week in Jackson Hole, Wyoming that could shed further light on monetary strategy and timeline. Physical gold demand moderated in top hubs as a rebound in domestic prices and a seasonal lull slowed market activity. In top consumer China, premiums eased to \$3-\$6 an ounce over global benchmark spot prices from \$5-\$10 last week, which were the highest since early June. Premiums slipped to \$0.50-\$1 in Hong Kong from \$0.80-\$1.80 last week, while \$1.60 premiums were quoted in Singapore. Indian premiums fell to \$3 an ounce over official domestic prices inclusive of 10.75% import and 3% sales levies versus last week's \$5 premiums. Jewellers across the country have planned to go on a strike on Aug. 23 to oppose a government move to make hallmarking of gold jewellery and artefacts mandatory from mid-June. Technically market is under long liquidation as market has witnessed drop in open interest by -1.59% to settled at 12045 while prices down -11 rupees, now Gold is getting support at 47023 and below same could see a test of 46888 levels, and resistance is now likely to be seen at 47335, a move above could see prices testing 47512.

Trading Idea for the day

Gold trading range for the day is 46888-47512.

Gold held steady amid growing concerns over a global economic slowdown due to a spike in COVID-19 infections underpinned the safe-haven metal.

Worries over a slowing economic recovery and possible tapering from the Federal Reserve dented appetite for riskier assets.

Physical gold demand moderated in top hubs as a rebound in domestic prices and a seasonal lull slowed market activity.

MCX SILVER

Technical Chart



Open	High	Low	Close	Net Cng
62185.00	62320.00	61227.00	61721.00	-412.00
OI	% OI	Volume	Trend	% Cng
10214.00	-3.20	11586.00	Negative	-0.66

Fundamentals

Silver yesterday settled down by -0.66% at 61721 as dollar strengthened across the board as China's crackdown on the once high-flying technology firms and rising prospects of tighter monetary measures from the Federal Reserve dented risk sentiment. Further downside limited as global risk appetite remained checked by concerns over a slowdown in the global economic recovery due to a resurgence in cases of Delta variant of the virus. Federal Reserve Chair Jerome Powell will speak on "the economic outlook" at next week's Jackson Hole, Wyoming symposium, the central bank said. The generic description for the highly anticipated speech contrasts with last year's more specific listed subject for the address, "Monetary Policy Framework Review", and gives investors and analysts no immediate clues on the Fed's timeline for withdrawing its support for the economy. Minutes of the Fed's July meeting suggest policymakers are coalescing around beginning to taper their \$120 billion in monthly asset purchases before the end of the year. On the COVID-19 front, the New Zealand government extended its lockdown till August 24 after reporting eleven new cases today. In the U.S., three Senators had tested positive for Covid-19 despite being vaccinated. Focus next week will be on the high-profile annual U.S. Jackson Hole conference of central bankers, where Fed Chair Jerome Powell could signal he is ready to start easing monetary support. Technically market is under long liquidation as market has witnessed drop in open interest by -3.2% to settled at 10214 while prices down -412 rupees, now Silver is getting support at 61192 and below same could see a test of 60663 levels, and resistance is now likely to be seen at 62285, a move above could see prices testing 62849.

Trading Idea for the day

Silver trading range for the day is 60663-62849.

Silver dropped as dollar strengthened as China's crackdown on the once high-flying technology firms and Fed's tighter monetary measures.

Further downside limited as global risk appetite remained checked by concerns over a slowdown in the global economic recovery

Fed Chair Powell will speak on "the economic outlook" at next week's Jackson Hole, Wyoming symposium, the central bank said.

MCX CRUDEOIL

Technical Chart



Open	High	Low	Close	Net Cng
4766.00	4777.00	4634.00	4640.00	-82.00
OI	% OI	Volume	Trend	% Cng
8109.00	26.23	62840.00	Negative	-1.74

Fundamentals

Crude oil yesterday settled down by -1.74% at 4640 as continued spikes in coronavirus cases and data showing a surprise build in gasoline inventories stoked concerns about global demand growth. Circulation of the Delta variant in areas of low vaccination is driving transmission of COVID-19, the World Health Organization said in a report. A stronger dollar amid China's crackdown on the once high-flying technology firms and rising prospects of tighter monetary measures from the Federal Reserve also weighed on crude oil prices. Saudi Arabia's crude oil exports in June rose to 5.965 million barrels per day (bpd) from 5.649 million bpd in May, official data showed. Monthly export figures are provided by Riyadh and other members of the Organization of the Petroleum Exporting Countries (OPEC) to the Joint Organizations Data Initiative (JODI), which published them on its website. U.S. crude oil stockpiles dropped last week to their lowest levels since January 2020, the Energy Information Administration said. Inventories have been declining for several months as U.S. fuel demand has rebounded with Americans getting vaccinated against coronavirus. Infections, however, are surging again and analysts are watching to see if fuel demand slackens, particularly across southern states where the number of people infected has surged. Technically market is under fresh selling as market has witnessed gain in open interest by 26.23% to settled at 8109 while prices down -82 rupees, now Crude oil is getting support at 4591 and below same could see a test of 4541 levels, and resistance is now likely to be seen at 4734, a move above could see prices testing 4827.

Trading Idea for the day

Crude oil trading range for the day is 4541-4827.

Crude oil edged lower as continued spikes in coronavirus cases and data showing a surprise build in gasoline inventories

Saudi Arabia's crude oil exports in June rose to 5.965 million barrels per day (bpd) from 5.649 million bpd in May, official data showed.

U.S. crude oil stockpiles dropped last week to their lowest levels since January 2020, the Energy Information Administration said.

MCX NATURALGAS

Technical Chart



Open	High	Low	Close	Net Cng
284.90	293.80	284.90	288.50	4.00
OI	% OI	Volume	Trend	% Cng
5453.00	-15.17	75505.00	Positive	1.41

Fundamentals

Nat.Gas yesterday settled up by 1.41% at 288.5 as the weather outlook turned slightly warmer, potentially boosting demand for gas used for air conditioning. The U.S. Energy Information Administration's weekly storage report showed that utilities added 42 billion cubic feet (bcf) into storage last week. The larger storage build comes amid a decline in liquefied natural gas (LNG) exports this month, with data provider Refinitiv saying LNG feed gas averaged about 10.4 bcf so far in August, below the 10.8 bcf in July and a record 11.5 bcf in April. According to Data provider Refinitiv, temperatures are expected to be slightly warmer in the next two weeks with 217 cooling degree days (CDDs). That compares with a 30-year average of 171 and 199 in Thursday's forecast. Average U.S. gas demand, including exports, is expected to rise from 93.1 billion cubic feet per day (bcfd) to 94.5 bcfd next week. Refinitiv also said gas output in the U.S. Lower 48 states has averaged about 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 10.9 bcfd in the next two weeks. Technically market is under short covering as market has witnessed drop in open interest by -15.17% to settled at 5453 while prices up 4 rupees, now Natural gas is getting support at 284.4 and below same could see a test of 280.2 levels, and resistance is now likely to be seen at 293.3, a move above could see prices testing 298.

Trading Idea for the day

Natural gas trading range for the day is 280.2-298.

Natural gas rebounded as the weather outlook turned slightly warmer, potentially boosting demand for gas used for air conditioning.

The U.S. Energy Information Administration's weekly storage report showed that utilities added 42 billion cubic feet (bcf) into storage last week.

U.S. pipeline exports to Mexico also slipped to an average of 6.2 bcfd so far in August from 6.6 bcfd in July and a record 6.7 bcfd in June.

MCX COPPER

Technical Chart



Open	High	Low	Close	Net Cng
692.20	702.45	686.65	699.95	15.55
OI	% OI	Volume	Trend	% Cng
3683.00	-26.28	16936.00	Positive	2.27

Fundamentals

Copper yesterday settled up by 2.27% at 699.95 but ended the week with losses due to worries about demand in top consumer China, the possible withdrawal of U.S. central bank stimulus and rising COVID-19 infections. Expectations the Federal Reserve will soon start tightening monetary policy have boosted the U.S. currency, which when it rises makes dollar-denominated metals more expensive for holders of other currencies, weighing on demand. Worries about economic activity and demand around the world are rising alongside a spike in global coronavirus cases caused by the Delta variant. China will not auction off strategic metal inventories this month due to a spike in cases, two Chinese industry consultancies said, although the country's state reserves body said it would continue to release stocks. Copper inventories in warehouses monitored by the Shanghai Futures Exchange fell 8.0 percent from last Friday, the exchange said. The global world refined copper market showed a 2,000 tonnes surplus in May, compared with an 86,000 tonnes deficit in April, the International Copper Study Group (ICSG) said in its latest monthly bulletin. For the first 5 months of the year, the market was in a 80,000 tonnes surplus compared with a 121,000 tonnes surplus in the same period a year earlier, the ICSG said. Technically market is under short covering as market has witnessed drop in open interest by -26.28% to settled at 3683 while prices up 15.55 rupees, now Copper is getting support at 690.4 and below same could see a test of 680.6 levels, and resistance is now likely to be seen at 706.2, a move above could see prices testing 712.2.

Trading Idea for the day

Copper trading range for the day is 680.6-712.2.
Copper prices bounced but ended the week with losses due to worries about demand in China, the possible withdrawal of U.S. central bank stimulus
Economic data show growth in China has been slowing in recent months.
Worries about economic activity and demand around the world are rising alongside a spike in global coronavirus cases caused by the Delta variant.

MCX ZINC

Technical Chart



Open	High	Low	Close	Net Cng
246.35	247.90	244.90	246.20	1.35
OI	% OI	Volume	Trend	% Cng
695.00	-26.30	3222.00	Positive	0.55

Fundamentals

Zinc yesterday settled up by 0.55% at 246.2 as China will not auction off strategic metal inventories this month due to a spike in cases, two Chinese industry consultancies said, although the country's state reserves body said it would continue to release stocks. However upside seen limited amid weakening expectations for high season due to COVID-19 pandemic and eased power restrictions on the supply side. Total zinc inventories across seven Chinese markets stood at 128,600 mt as of August 20, up 6,100 mt from August 16 and 4,500 mt from August 13. Inventories in Shanghai increased as arrivals at smelters rose and imported zinc also flew into the market. Stocks in Guangdong increased as the power curtailment was eased at smelters and operating rates gradually rose. Inventories in Tianjin continued to decline as arrivals of cargoes fell and downstream producers properly restocked goods. Inventories in Shanghai, Guangdong and Tianjin rose 3,800 mt, and inventories across seven Chinese markets increased 4,500 mt. 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. Technically market is under short covering as market has witnessed drop in open interest by -26.3% to settled at 695 while prices up 1.35 rupees, now Zinc is getting support at 244.7 and below same could see a test of 243.3 levels, and resistance is now likely to be seen at 247.7, a move above could see prices testing 249.3.

Trading Idea for the day

Zinc trading range for the day is 243.3-249.3.
Zinc gained as China will not auction off strategic metal inventories this month due to a spike in cases
However upside seen limited amid weakening expectations for high season due to COVID-19 pandemic and eased power restrictions on the supply side.
Total zinc inventories across seven Chinese markets stood at 128,600 mt up 6,100 mt from August 16 and 4,500 mt from August 13.

MCX NICKEL

Technical Chart



Open	High	Low	Close	Net Cng
692.20	702.45	686.65	699.95	15.55
OI	% OI	Volume	Trend	% Cng
3683.00	-26.28	16936.00	Positive	2.27

Fundamentals

Nickel yesterday settled up by 0.28% at 1402.4 as the global nickel market deficit narrowed to 20,100 tonnes in June compared a shortfall of 23,600 tonnes in May, data from the International Nickel Study Group (INSG) showed. During the first six months of the year, the nickel market saw a deficit of 86,700 tonnes compared with a surplus of 74,200 tonnes in the same period last year, the Lisbon-based INSG added. However upside seen limited as market transactions were thin amid weakening stainless steel market sentiment and purchase on-demand by steel companies. On the macro front, the disclosed monthly meeting minutes showed that Fed officers have agreed to discuss tapering QE within this year in view of stabilised job market and economy recovery, which was basically on par with market expectations, later weighing on global stock markets and commodities at the same time, amid which US dollar index climbed to its new high since last November. US jobless claims of last week were the lowest since COVID-19 breakout, indicating a warming-up job market before autumn. China left its benchmark lending rate for corporate and household loans unchanged for a 16th straight month at its August fixing, as widely expected. Technically market is under short covering as market has witnessed drop in open interest by -2.27% to settled at 1553 while prices up 3.9 rupees, now Nickel is getting support at 1394.5 and below same could see a test of 1386.5 levels, and resistance is now likely to be seen at 1412.7, a move above could see prices testing 1422.9.

Trading Idea for the day

Nickel trading range for the day is 1386.5-1422.9.

Nickel ended with small gains as global nickel market deficit narrowed to 20,100 tonnes in June compared a shortfall of 23,600 tonnes in May. During the first six months of the year, the nickel market saw a deficit of 86,700 tonnes compared with a surplus of 74,200 tonnes in the same period last year. However upside seen limited as market transactions were thin amid weakening stainless steel market sentiment and purchase on-demand by steel companies.

MCX ALUMINIUM

Technical Chart



Open	High	Low	Close	Net Cng
246.35	247.90	244.90	246.20	1.35
OI	% OI	Volume	Trend	% Cng
695.00	-26.30	3222.00	Positive	0.55

Fundamentals

Aluminium yesterday settled up by 0.51% at 205.8 as 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. Curbs 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. China left its benchmark lending rate for corporate and household loans unchanged for a 16th straight month at its August fixing, as widely expected. The one-year loan prime rate (LPR) was kept at 3.85%. The five-year LPR remained at 4.65%. The rate was unchanged for the 16th straight month. Twenty-five traders and analysts, or 78% of 32 participants in a snap poll, had predicted no change in either tenor, while the remaining seven respondents all expected a cut to the one-year LPR. Data showed that China's social inventories of aluminium across eight consumption areas increased 2,000 mt on the week to 741,000 mt as of August 19. Technically market is under short covering as market has witnessed drop in open interest by -11.54% to settled at 1203 while prices up 1.05 rupees, now Aluminium is getting support at 205 and below same could see a test of 204 levels, and resistance is now likely to be seen at 207, a move above could see prices testing 208.

Trading Idea for the day

Aluminium trading range for the day is 204-208.

Aluminium prices gained as China's aluminium imports in July rose 6.1% from the previous month.

China leaves lending benchmark LPR unchanged, as expected.

The US monthly meeting minutes showed that Fed officers have agreed to discuss tapering QE within this year.



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