

Daily Commodity Analysis Report

Tuesday, August 24, 2021
Tuesday



COMMODITY MARKET

MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA	
Gold	1 Kg	47584.00	0.90	1.34	-0.63	-5.13	-9.61	BUY	SELL	SELL	
Silver	30 Kg	62927.00	1.95	-0.48	-5.83	-7.59	-7.40	SELL	SELL	SELL	
\$Gold	100 Tr. Oz	1802.21	-0.15	1.35	-0.34	-4.97	-7.95	BUY	SELL	SELL	
\$ Silver	5000 Tr. Oz	23.613	0.01	-0.43	-5.55	-10.35	-15.33	SELL	SELL	SELL	
Crude	100 BBL	4887.00	5.32	-3.93	-2.52	38.73	34.32	SELL	SELL	BUY	
Nat.Gas	1250 mmBtu	290.90	0.83	0.76	0.89	59.58	38.68	BUY	BUY	BUY	
\$ Crude	1,000 Barrels	65.64	5.63	-5.24	-1.99	35.56	34.83	SELL	SELL	BUY	
\$ Nat. Gas	10000 mmBtu	3.95	2.44	0.76	0.89	59.58	38.68	BUY	BUY	BUY	
Aluminium	5MT	207.75	0.95	-0.14	6.40	47.15	29.59	BUY	BUY	BUY	#
Copper	2500Kg	709.60	1.38	-3.32	-1.68	19.35	25.46	SELL	SELL	BUY	#
Lead	5MT	178.85	-0.14	-0.59	0.92	15.61	12.75	BUY	BUY	BUY	#
Nickel	1500Kg	1437.00	2.47	-3.67	2.60	18.50	23.19	BUY	BUY	BUY	#
Zinc	5MT	247.15	0.39	-1.09	1.88	34.93	20.31	BUY	BUY	BUY	#
LME Alum	25 Tonnes	2598.00	0.15	-0.48	5.79	31.20	31.38	BUY	BUY	BUY	#
LME Copp	25,000 Lbs.	9274.00	0.39	-2.89	-0.97	19.34	28.53	SELL	SELL	BUY	#
LME Lead	5 Tonnes	2299.50	0.83	-2.08	-1.99	14.89	13.07	SELL	SELL	BUY	#
LME Nickel	250 Kg	18960.00	0.45	-4.13	1.27	14.09	22.69	BUY	BUY	BUY	#
LME Zinc	5 Tonnes	2951.50	0.39	-2.93	-0.77	6.91	15.60	SELL	SELL	BUY	#

Note:

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

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

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

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

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

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

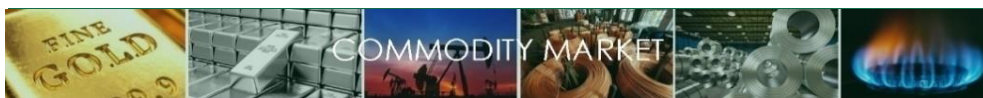
* Domestic Rates are as per closing basis and International rates are as per 8.30am

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Tuesday, August 24, 2021



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Currency Snapshot

Currency	Last	% Cng	
USDINR	74.23	-0.26	▼
EURINR	87.08	0.15	▲
GBPINR	101.54	0.18	▲
JPYINR	67.44	-0.62	▼
EURUSD	1.1738	-0.07	▼
GBPUSD	1.3718	-0.01	▼
USDJPY	109.71	0.03	▬
Dollar Index	93.03	0.05	▬

Indices Snapshot

Indices	Last	Change	
NIFTY	16496.45	0.28	▲
SENSEX	55555.79	0.41	▲
HANGSENG	25109.59	1.05	▲
NIKKEI	27494.24	1.78	▲
STRAITS	3089.37	-0.43	▼
CAC 40	6683.48	0.87	▲
DAX	15846.55	0.24	▬
DJIA	35120.08	0.65	▲
NASDAQ	14714.66	1.19	▲
JAKARTA	6109.83	1.31	▲
KOSPI	3090.21	0.97	▲

LME Stock Snapshot

Commodity	Stock	Cng
LME Aluminium	1300250	-4700
LME Copper	254800	-150
LME Lead	57025	-25
LME Nickel	197298	-816
LME Zinc	239100	6500

Economical Data

Time	Currency	Data	Fcst	Prev
11:30am	EUR	German Final GDP q/q	0.015	0.015
7:30pm	USD	New Home Sales	698K	676K
7:30pm	USD	Richmond Manufacturing Index		27

Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	47584.00	11986	-0.49	Short Covering
Silver	62927.00	8319	-18.55	Short Covering
Crude	4887.00	4265	-47.4	Short Covering
Nat.Gas	290.90	4417	-19	Short Covering
Aluminium	207.75	1170	-2.74	Short Covering
Copper	709.60	2612	-29.08	Short Covering
Lead	178.85	536	-33.75	Long Liquidation
Nickel	1437.00	943	-39.28	Short Covering
Zinc	247.15	542	-22.01	Short Covering

Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	47584.00	47743.00	159.00	148.00	11.00
Silver	62927.00	63608.00	681.00	754.00	-73.00
Crude	4887.00	4884.00	-3.00	0.00	-3.00
Nat.Gas	290.90	292.60	1.70	1.70	0.00
Aluminium	207.75	206.30	-1.45	-1.75	0.30
Copper	709.60	711.95	2.35	-0.50	2.85
Lead	178.85	178.90	0.05	-1.10	1.15
Nickel	1437.00	1422.70	-14.30	-9.80	-4.50
Zinc	247.15	243.40	-3.75	-3.75	0.00

Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	75.62	100.90	65.55	76.53
Gold / Crude Ratio	9.74	19.58	8.37	13.29
Gold / Copper Ratio	67.06	112.33	59.19	82.58
Silver / Crude Ratio	12.88	25.03	12.18	17.22
Silver / Copper Ratio	88.68	147.81	84.90	107.33
Zinc / Lead Ratio	138.19	141.74	111.81	131.22
Crude / Nat.Gas Ratio	16.80	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	47584.00	46805.00	46977.00	47281.00	47453.00	47757.00	47929.00	48233.00	Positive
Silver	62927.00	60954.00	61416.00	62172.00	62634.00	63390.00	63852.00	64608.00	Positive
\$ Gold	1805.10	1793.40	1796.70	1799.40	1802.70	1805.40	1808.70	1811.40	Positive
\$ Silver	23.62	23.50	23.50	23.60	23.60	23.70	23.70	23.80	Positive
Crude oil	4887.00	4546.00	4622.00	4755.00	4831.00	4964.00	5040.00	5173.00	Positive
Natural Gas	290.90	281.50	283.80	287.40	289.70	293.30	295.60	299.20	Positive
\$ Crude oil	65.64	62.54	63.18	64.41	65.05	66.28	66.92	68.15	Positive
\$ Natural Gas	3.9450	3.7560	3.7970	3.8710	3.9120	3.9860	4.0270	4.1010	Positive
Aluminium	207.75	204.90	205.60	206.70	207.40	208.50	209.20	210.30	Positive
Copper	709.60	691.20	695.70	702.60	707.10	714.00	718.50	725.40	Positive
Lead	178.85	175.60	177.10	178.00	179.50	180.40	181.90	182.80	Negative
Nickel	1437.00	1407.00	1415.00	1426.00	1434.00	1445.00	1453.00	1464.00	Positive
Zinc	247.15	243.80	244.90	246.10	247.20	248.40	249.50	250.70	Positive
LME Aluminium	2594.00	2518.50	2538.00	2566.00	2585.50	2613.50	2633.00	2661.00	Positive
LME Copper	9238.00	8866.17	8962.33	9100.17	9196.33	9334.17	9430.33	9568.17	Positive
LME Lead	2280.50	2224.50	2242.50	2261.50	2279.50	2298.50	2316.50	2335.50	Negative
LME Nickel	18875.00	17945.00	18195.00	18535.00	18785.00	19125.00	19375.00	19715.00	Positive
LME Zinc	2940.00	2879.83	2899.67	2919.83	2939.67	2959.83	2979.67	2999.83	Positive

Latest News Update

Japan's factory activity growth slowed in August, while that of the services sector shrank at the fastest pace since May last year, highlighting the increasingly heavy toll a recent wave of COVID-19 infections is taking on the economy. Manufacturers mostly withstood the impact of the coronavirus resurgence, due largely to the highly contagious Delta variant that is forcing governments in Japan and elsewhere in Asia to put in place lockdowns or other curbs. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) fell to a seasonally adjusted 52.4 in August from a final 53.0 in the prior month. Overall orders and export orders increased, though the pace of growth was the slowest in seven months. Firms faced severe supply chain disruptions from a global semiconductor shortage, IHS Markit said. Activity in Japan's services sector took a blow from a surge in Delta variant cases that last week forced the government to extend and expand the country's fourth state of emergency, which now covers nearly 60% of the population.

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. The People's Bank of China (PBOC) injected billions of yuan through medium-term loans into the financial system earlier this week, which many market participants interpreted as an effort to prop up activity, although the cost of such borrowing was left unchanged. The interest rate of the MLF, which serves as a guide for the LPR, has been unchanged for 16 straight months, which has led to a steady LPR, they said.

MCX GOLD

Technical Chart



Open	High	Low	Close	Net Cng
47215.00	47625.00	47149.00	47584.00	426.00
OI	% OI	Volume	Trend	% Cng
11986.00	-0.49	5778.00	Positive	0.90

Fundamentals

Gold yesterday settled up by 0.9% at 47584 as a retreat in the dollar pushed investors to seek refuge in bullion with rising coronavirus cases driving expectations that the U.S. Federal Reserve might delay tapering of economic support. A spike in COVID-19 cases prompted the Fed to schedule its annual symposium in Jackson Hole, Wyoming, on Aug. 27 virtually, with all eyes on Chair Jerome Powell's speech for hints on the tapering timeline. Dallas Federal Reserve President Robert Kaplan said he could see the U.S. central bank eventually issuing its own digital currency, calling it the "last mile" in a digitalization of the payment system that is already in train. "I would imagine in the years ahead – it's something the Fed is actively working on now – and I can see reasons why that will eventually get developed; China is already doing their own experiment with it," he said in a virtual appearance at Texas Tech. Still, he added, the Fed is a "long way" from making a decision and is currently studying the issues, including the potential impact on banks. Physical gold demand moderated in top hubs as a rebound in domestic prices and a seasonal lull slowed market activity. 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. Technically market is under short covering as market has witnessed drop in open interest by -0.49% to settled at 11986 while prices up 426 rupees, now Gold is getting support at 47281 and below same could see a test of 46977 levels, and resistance is now likely to be seen at 47757, a move above could see prices testing 47929.

Trading Idea for the day

Gold trading range for the day is 46977-47929.

Gold rose as a retreat in the dollar pushed investors to seek refuge in bullion amid rising coronavirus cases.

Data showed the Japanese and UK economies have taken a hit from the Delta variant.

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
62144.00	63096.00	61878.00	62927.00	1206.00
OI	% OI	Volume	Trend	% Cng
8319.00	-18.55	13082.00	Positive	1.95

Fundamentals

Silver yesterday settled up by 1.95% at 62927 as dollar declined broadly as some doubts about the course of U.S. monetary policy triggered profit-taking. U.S. existing home sales increased for the second consecutive month in July as inventories improved moderately, while prices eased from the prior month's record level. Existing home sales increased 2.0% to a seasonally adjusted annual rate of 5.99 million units last month from June's upwardly revised pace, the National Association of Realtors said on Monday. Sales were unchanged in the Northeast, but increased in the Midwest, South and the West. U.S. business activity growth slowed for a third straight month in August as capacity constraints, supply shortages and the rapidly spreading Delta variant of the coronavirus weaken the momentum of the rebound from last year's pandemic-induced recession. Investors look ahead to the Jackson Hole symposium Thursday for additional insights about the Fed's taper talks. There is growing support within the Fed to announce the tapering of bond purchases sometime between October and December in contrast to the European Central Bank which is under pressure to add more stimulus. U.S. Treasury Secretary Janet Yellen endorsed Jerome Powell for a second term as Fed chair, a move that could reduce uncertainty about the path for monetary policy. Technically market is under short covering as market has witnessed drop in open interest by -18.55% to settled at 8319 while prices up 1206 rupees, now Silver is getting support at 62172 and below same could see a test of 61416 levels, and resistance is now likely to be seen at 63390, a move above could see prices testing 63852.

Trading Idea for the day

Silver trading range for the day is 61416-63852.

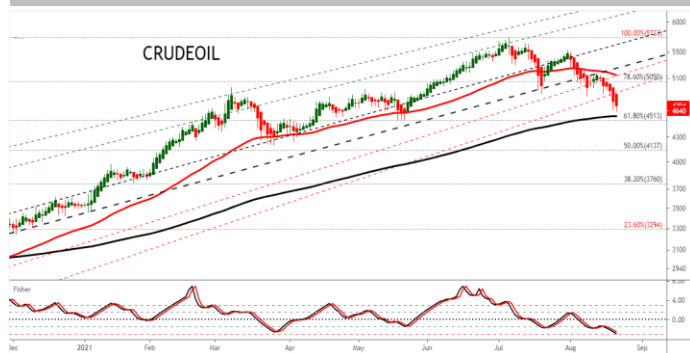
Silver gained as dollar declined broadly as some doubts about the course of U.S. monetary policy triggered profit-taking.

U.S. existing home sales increased for the second consecutive month in July as inventories improved moderately

Investors look ahead to the Jackson Hole symposium Thursday for additional insights about the Fed's taper talks.

MCX CRUDEOIL

Technical Chart



Open	High	Low	Close	Net Cng
4698.00	4907.00	4698.00	4887.00	247.00
OI	% OI	Volume	Trend	% Cng
4265.00	-47.40	72913.00	Positive	5.32

Fundamentals

Crude oil yesterday settled up by 5.32% at 4887 recovering from a seven-day losing streak due to a weaker dollar and strength in global equities markets. Risk appetite in global markets increased despite persistent worries about the COVID-19 Delta variant hampering economic growth. 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 short covering as market has witnessed drop in open interest by -47.4% to settled at 4265 while prices up 247 rupees, now Crude oil is getting support at 4755 and below same could see a test of 4622 levels, and resistance is now likely to be seen at 4964, a move above could see prices testing 5040.

Trading Idea for the day

Crude oil trading range for the day is 4622-5040.

Crude oil prices rose more than 5% recovering from a seven-day losing streak due to a weaker dollar and strength in global equities markets.

Risk appetite in global markets increased despite persistent worries about the COVID-19 Delta variant hampering economic growth.

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.

MCX NATURALGAS

Technical Chart



Open	High	Low	Close	Net Cng
288.50	292.00	286.10	290.90	2.40
OI	% OI	Volume	Trend	% Cng
4417.00	-19.00	40614.00	Positive	0.83

Fundamentals

Nat.Gas yesterday settled up by 0.83% at 290.9 on forecasts for hot weather and high air conditioning demand to continue into early September. Last week, gas speculators followed a 9% drop in crude futures and boosted their short positions in natural gas futures and options on the New York Mercantile Exchange (NYMEX) to the highest since June 2020. That increase in shorts drove speculative open interest in overall NYMEX gas positions to their highest since March 2020. It also caused the speculative net long positions on the NYMEX and Intercontinental Exchange to drop by the most in a week since March 2021 to the lowest since June 2021, according to the U.S. Commodity Futures Trading Commission's Commitments of Traders report on Friday. Data provider Refinitiv said gas output in the U.S. Lower 48 states rose to an average of 92.1 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. U.S. pipeline exports to Mexico have slipped to an average of 6.1 bcfd so far in August from 6.6 bcfd in July and a record 6.7 bcfd in June. Technically market is under short covering as market has witnessed drop in open interest by -19% to settled at 4417 while prices up 2.4 rupees, now Natural gas is getting support at 287.4 and below same could see a test of 283.8 levels, and resistance is now likely to be seen at 293.3, a move above could see prices testing 295.6.

Trading Idea for the day

Natural gas trading range for the day is 283.8-295.6.

Natural gas rose on forecasts for hot weather and high air conditioning demand to continue into early September.

Last week, gas speculators boosted their short positions in natural gas futures and options on NYMEX to the highest since June 2020.

Data provider Refinitiv said gas output in the U.S. Lower 48 states rose to an average of 92.1 bcfd so far in August from 91.6 bcfd in July.

MCX COPPER

Technical Chart



Open	High	Low	Close	Net Cng
704.40	711.60	700.20	709.60	9.65
OI	% OI	Volume	Trend	% Cng
2612.00	-29.08	13062.00	Positive	1.38

Fundamentals

Copper yesterday settled up by 1.38% at 709.6 as hopes of an improvement in demand rose after China, the world's top metals consumer, reported no new locally transmitted COVID-19 cases for the first time since July. Surging novel coronavirus cases due to the highly transmissible Delta variant, slowing China growth and fear of U.S. policy tightening this year have weighed on base metals, with copper hitting its lowest in more than four months last week. The latest Chinese COVID-19 report offered signs that the current outbreak may be tapering off soon. The global world refined copper market showed a 2,000 tonnes surplus in May, compared with a 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. 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. Technically market is under short covering as market has witnessed drop in open interest by -29.08% to settled at 2612 while prices up 9.65 rupees, now Copper is getting support at 702.6 and below same could see a test of 695.7 levels, and resistance is now likely to be seen at 714, a move above could see prices testing 718.5.

Trading Idea for the day

Copper trading range for the day is 695.7-718.5.

Copper rose as hopes of an improvement in demand rose after China, reported no new locally transmitted COVID-19 cases for the first time since July.

Copper market in 2,000 tonnes surplus in May 2021 – ICSG

China left its benchmark lending rate for corporate and household loans unchanged for a 16th straight month at its August fixing

MCX ZINC

Technical Chart



Open	High	Low	Close	Net Cng
247.40	248.30	246.05	247.15	0.95
OI	% OI	Volume	Trend	% Cng
542.00	-22.01	2274.00	Positive	0.39

Fundamentals

Zinc yesterday settled up by 0.39% at 247.15 as investors returned to riskier assets after a sharp selloff last week that was fanned by worries about slowing economic growth. The global zinc market was undersupplied by 20,200 tonnes in June following a revised deficit of 23,500 tonnes in May, data from the International Lead and Zinc Study Group (ILZSG) showed. Previously, the ILZSG had reported a deficit of 17,900 tonnes in May. During the first six months of 2021, the ILZSG data showed the market saw a surplus of 36,000 tonnes, down from a surplus of 385,000 tonnes in the same period of 2020. On the macro front, investors feared that the economic recovery will be disrupted by the raging delta variant, lowering their expectations for an early tightening of liquidity by the Fed. Data showed U.S. business activity growth slowed for a third straight month in August, with IHS Markit's flash Composite PMI output index, falling to 55.4 - the lowest since last December - from 59.9 in July. The Federal Reserve's annual economic symposium in Jackson Hole, Wyoming, will now be closely watched for cues on when the central bank would start to taper its massive pandemic-era stimulus. Technically market is under short covering as market has witnessed drop in open interest by -22.01% to settled at 542 while prices up 0.95 rupees, now Zinc is getting support at 246.1 and below same could see a test of 244.9 levels, and resistance is now likely to be seen at 248.4, a move above could see prices testing 249.5.

Trading Idea for the day

Zinc trading range for the day is 244.9-249.5.

Zinc gains as investors returned to riskier assets after a sharp selloff last week that was fanned by worries about slowing economic growth.

Global zinc market undersupplied by 20,200 tonnes in June, ILZSG says

Investors feared that the economic recovery will be disrupted by the raging delta variant, lowering their expectations for an early tightening of liquidity by the Fed.

MCX NICKEL

Technical Chart



Open	High	Low	Close	Net Cng
704.40	711.60	700.20	709.60	9.65
OI	% OI	Volume	Trend	% Cng
2612.00	-29.08	13062.00	Positive	1.38

Fundamentals

Nickel yesterday settled up by 2.47% at 1437 amid support from fundamentals and demand from stainless steel and new energy sector. Jilin Jien Nickel, a nickel producer in northeast China, has halted output of nickel cathodes because they are no longer profitable. The company, which has annual capacity to make 8,000 tonnes of refined nickel metal, is still producing nickel salts as normal. China, the world's biggest metals consumer, has very few companies still making nickel cathodes as smelters instead choose to produce nickel sulphate, a chemical used in the burgeoning electric vehicle battery sector. China produced 12,353 tonnes of nickel cathodes in July, according to state-backed research house Antaike, with Jien accounting for 500 tonnes of the total. 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. U.S. existing home sales increased for the second consecutive month in July as inventories improved moderately, while prices eased from the prior month's record level. Technically market is under short covering as market has witnessed drop in open interest by -39.28% to settled at 943 while prices up 34.6 rupees, now Nickel is getting support at 1426 and below same could see a test of 1415 levels, and resistance is now likely to be seen at 1445, a move above could see prices testing 1453.

Trading Idea for the day

Nickel trading range for the day is 1415-1453.

Nickel prices gained amid support from fundamentals and demand from stainless steel and new energy sector.

Chinese nickel producer Jien halts cathode output

The global nickel market deficit narrowed to 20,100 tonnes in June compared a shortfall of 23,600 tonnes in May

MCX ALUMINIUM

Technical Chart



Open	High	Low	Close	Net Cng
247.40	248.30	246.05	247.15	0.95
OI	% OI	Volume	Trend	% Cng
542.00	-22.01	2274.00	Positive	0.39

Fundamentals

Aluminium yesterday settled up by 0.95% at 207.75 as aluminium output is expected to shrink further in Q3 in view of short supply of power and intensified control over energy consumption and pollution. Meanwhile, commissioning of expansion projects will also be postponed. Cargos available in the market in Gongyi will maintain amid disrupted transportation. Global primary aluminium output rose to 5.747 million tonnes in July from an upwardly revised 5.558 million tonnes in June, data from the International Aluminium Institute (IAI) showed. Estimated primary Chinese production rose to 3.343 million tonnes in June from 3.235 million tonnes in June, it added. One global aluminium producer has offered Japanese buyers premiums of \$230 per tonne for October-December primary metal shipments, up 24% from the current quarter. Japan is Asia's biggest importer of the metal and the premiums for primary metal shipments it agrees to pay each quarter over the London Metal Exchange (LME) cash price set the benchmark for the region. For the July-September quarter, Japanese buyers agreed to pay a premium of \$185 per tonne, up 24-25% from the prior quarter and the highest in more than six years as global demand picks up after a pandemic-induced slump. Technically market is under short covering as market has witnessed drop in open interest by -2.74% to settled at 1170 while prices up 1.95 rupees, now Aluminium is getting support at 206.7 and below same could see a test of 205.6 levels, and resistance is now likely to be seen at 208.5, a move above could see prices testing 209.2.

Trading Idea for the day

Aluminium trading range for the day is 205.6-209.2.

Aluminium gains as output is expected to shrink further in Q3 in view of short supply of power and intensified control over energy consumption and pollution.

One global aluminium producer seeks Q4 premiums of \$230/T

Global primary aluminium output rose to 5.747 million tonnes in July from an upwardly revised 5.558 million tonnes in June



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