

Daily Commodity Analysis Report

Wednesday, August 25, 2021
Wednesday



COMMODITY MARKET

MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA	
Gold	1 Kg	47612.00	0.06	1.43	-0.54	-5.04	-9.51	BUY	SELL	SELL	
Silver	30 Kg	63474.00	0.87	0.37	-4.94	-6.80	-6.50	SELL	SELL	SELL	
\$Gold	100 Tr. Oz	1795.91	-0.35	1.48	-0.21	-4.85	-7.80	BUY	SELL	SELL	
\$ Silver	5000 Tr. Oz	23.71	-0.55	0.70	-4.37	-9.34	-14.03	SELL	SELL	SELL	
Crude	100 BBL	5021.00	2.74	-1.19	0.18	42.48	36.05	SELL	SELL	BUY	
Nat.Gas	1250 mmBtu	288.90	-0.69	0.00	0.14	58.37	38.21	BUY	BUY	BUY	
\$ Crude	1,000 Barrels	67.54	2.89	-2.93	0.24	38.59	36.26	SELL	SELL	BUY	
\$ Nat. Gas	10000 mmBtu	3.90	-1.24	0.00	0.14	58.37	38.21	BUY	BUY	BUY	
Aluminium	5MT	207.35	0.51	0.79	7.27	48.53	30.24	BUY	BUY	BUY	#
Copper	2500Kg	716.60	0.65	-2.90	-1.28	19.83	25.76	SELL	SELL	BUY	#
Lead	5MT	179.15	0.14	-0.59	0.92	15.61	12.75	BUY	BUY	BUY	#
Nickel	1500Kg	1432.70	0.7	-3.57	2.68	18.61	23.26	BUY	BUY	BUY	#
Zinc	5MT	247.10	1.52	-0.18	2.76	36.16	21.03	BUY	BUY	BUY	#
LME Alum	25 Tonnes	2625.00	0.81	-0.37	5.90	31.36	31.46	BUY	BUY	BUY	#
LME Copp	25,000 Lbs.	9369.00	0.12	-1.84	0.06	20.56	29.26	SELL	SELL	BUY	#
LME Lead	5 Tonnes	2285.00	-0.31	-1.68	-1.59	15.34	13.41	SELL	SELL	BUY	#
LME Nickel	250 Kg	19090.00	0.18	-3.17	2.18	15.15	23.40	BUY	BUY	BUY	#
LME Zinc	5 Tonnes	3005.00	-0.13	-0.58	1.53	9.40	17.52	BUY	BUY	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

SMIFS Limited

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Wednesday, August 25, 2021



**SMIFS
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LEGACY | TRUST | GROWTH

Currency Snapshot

Currency	Last	% Cng	
USDINR	74.23	0.00	—
EURINR	87.20	0.13	▲
GBPINR	101.86	0.32	▲
JPYINR	67.67	0.34	▲
EURUSD	1.1736	-0.17	▼
GBPUSD	1.3716	-0.08	▼
USDJPY	109.80	0.12	▲
Dollar Index	93.02	0.16	▲

Indices Snapshot

Indices	Last	Change	
NIFTY	16624.60	0.78	▲
SENSEX	55958.98	0.73	▲
HANGSENG	25501.75	1.56	▲
NIKKEI	27770.05	1.00	▲
STRAITS	3108.40	0.67	▲
CAC 40	6657.33	-0.39	▼
DAX	15901.08	0.30	▲
DJIA	35335.71	0.61	▲
NASDAQ	14924.65	1.43	▲
JAKARTA	6081.47	-0.46	▼
KOSPI	3135.34	1.46	▲

LME Stock Snapshot

Commodity	Stock	Cng
LME Aluminium	1295125	-5125
LME Copper	254775	-25
LME Lead	57025	
LME Nickel	195558	-1740
LME Zinc	239300	200

Economical Data

Time	Currency	Data	Fcst	Prev
1:30pm	EUR	German ifo Business Climate	100.2	100.8
6:00pm	USD	Core Durable Goods Orders m/m	0.005	0.005
6:00pm	USD	Durable Goods Orders m/m	-0.002	0.009
6:30pm	EUR	Belgian NBB Business Climate		10.1
8:00pm	USD	Crude Oil Inventories		-3.2M

Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	47612.00	11890	-0.8	Short Covering
Silver	63474.00	6324	-23.98	Short Covering
Crude	5021.00	4795	12.43	Fresh Buying
Nat.Gas	288.90	1872	-57.62	Long Liquidation
Aluminium	207.35	1589	31.21	Fresh Buying
Copper	716.60	3516	44.87	Fresh Buying
Lead	179.15	720	58.94	Fresh Buying
Nickel	1432.70	957	19.03	Fresh Buying
Zinc	247.10	1117	44.5	Fresh Buying

Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	47612.00	47779.00	167.00	159.00	8.00
Silver	63474.00	64197.00	723.00	681.00	42.00
Crude	5021.00	5016.00	-5.00	-3.00	-2.00
Nat.Gas	288.90	290.80	1.90	1.70	0.20
Aluminium	207.35	206.85	-0.50	-0.50	0.00
Copper	716.60	718.85	2.25	1.65	0.60
Lead	179.15	178.45	-0.70	1.15	-1.85
Nickel	1432.70	1440.10	7.40	-13.90	21.30
Zinc	247.10	244.85	-2.25	-3.65	1.40

Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	75.01	100.90	65.55	76.53
Gold / Crude Ratio	9.48	19.58	8.37	13.29
Gold / Copper Ratio	66.44	112.33	59.19	82.58
Silver / Crude Ratio	12.64	25.03	12.18	17.22
Silver / Copper Ratio	88.58	147.81	84.90	107.33
Zinc / Lead Ratio	137.93	141.74	111.81	131.22
Crude / Nat.Gas Ratio	17.38	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	47612.00	47220.00	47346.00	47479.00	47605.00	47738.00	47864.00	47997.00	Positive
Silver	63474.00	61956.00	62346.00	62910.00	63300.00	63864.00	64254.00	64818.00	Positive
\$ Gold	1802.84	1780.30	1786.30	1791.10	1797.10	1801.90	1807.90	1812.70	Positive
\$ Silver	23.85	23.40	23.50	23.60	23.70	23.80	23.90	24.00	Positive
Crude oil	5021.00	4774.00	4827.00	4924.00	4977.00	5074.00	5127.00	5224.00	Positive
Natural Gas	288.90	280.20	284.20	286.50	290.50	292.80	296.80	299.10	Negative
\$ Crude oil	67.54	65.50	65.91	66.72	67.13	67.94	68.35	69.16	Positive
\$ Natural Gas	3.8960	3.7773	3.8307	3.8633	3.9167	3.9493	4.0027	4.0353	Negative
Aluminium	207.35	203.60	204.70	206.10	207.20	208.60	209.70	211.10	Positive
Copper	716.60	696.50	701.90	709.30	714.70	722.10	727.50	734.90	Positive
Lead	179.15	177.70	178.10	178.70	179.10	179.70	180.10	180.70	Positive
Nickel	1432.70	1395.50	1408.20	1420.40	1433.10	1445.30	1458.00	1470.20	Positive
Zinc	247.10	240.30	241.90	244.50	246.10	248.70	250.30	252.90	Positive
LME Aluminium	2604.00	2540.67	2566.33	2585.17	2610.83	2629.67	2655.33	2674.17	Positive
LME Copper	9357.50	9005.00	9104.50	9231.00	9330.50	9457.00	9556.50	9683.00	Positive
LME Lead	2292.00	2244.00	2257.00	2274.50	2287.50	2305.00	2318.00	2335.50	Positive
LME Nickel	19055.00	18361.67	18578.33	18816.67	19033.33	19271.67	19488.33	19726.67	Positive
LME Zinc	3009.00	2856.00	2891.00	2950.00	2985.00	3044.00	3079.00	3138.00	Positive

Latest News Update

Business activity in the euro zone grew strongly again this month, only dipping from July's two-decade high monthly pace, as a rapid vaccination drive against the coronavirus allowed more firms to reopen and customers to venture out, a survey showed. Without ongoing supply chain disruptions, activity could have expanded faster, but fears new coronavirus strains may lead to renewed restrictions continued to put a dent in optimism. IHS Markit's Flash Composite Purchasing Managers' Index, seen as a good guide to economic health, fell to 59.5 in August from 60.2 last month. It was ahead of the 50-mark separating growth from contraction but just shy of a Reuters poll estimate for 59.7. Both the services and manufacturing indices remained firmly in growth territory in Germany, confirming Europe's biggest economy remained on a recovery path, an earlier survey showed. In France, the bloc's second-biggest economy, growth in business activity slowed compared to July but remained resilient, as problems with supplies of goods and COVID-19 health protocols impacted trade.

Britain's post-lockdown economic rebound slowed sharply in August as companies struggled with unprecedented shortages of staff and materials, though strong inflation pressures cooled a bit, a survey showed. The IHS Markit/CIPS flash composite PMI dropped for the third month in a row, sinking to 55.3 from 59.2 in July, its lowest since February. The pace of growth was still slightly above the pre-pandemic average but IHS Markit said there were clear signs of the recovery losing momentum after a buoyant second quarter. The equivalent PMI for the euro zone slowed much less, dropping to 59.5 from 60.2. Companies have complained that self-isolation requirements for contacts of people with COVID-19 have made it hard for them to find staff but those requirements were dropped from Aug. 13 for those fully vaccinated. On a brighter note, the PMI's employment growth measure hit its highest since the series began in 1998 as furloughed workers return, and businesses were more optimistic about future output.

MCX GOLD

Technical Chart



Open	High	Low	Close	Net Cng
47515.00	47731.00	47472.00	47612.00	28.00
OI	% OI	Volume	Trend	% Cng
11890.00	-0.80	5069.00	Positive	0.06

Fundamentals

Gold yesterday settled up by 0.06% at 47612 as prices held steady helped by speculation that a spike in coronavirus cases may prompt the U.S. Federal Reserve to defer its tapering of monetary stimulus. The spread of the Delta coronavirus variant has raised doubts about economic growth, with investors anticipating that the U.S. central bank might delay tapering. The dollar, also considered a 'safe haven' asset, stabilised after falling about 0.6%, with traders looking ahead to this week's Jackson Hole Federal Reserve symposium. Data showed U.S. business activity growth slowed in August, while Asia's robust economic recovery from last year lost steam. Gold's latest uptick also came despite outflows from exchange-traded funds, such as the SPDR Gold Trust. But physical demand from retail customers seems to be offsetting the gold ETF outflows. 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. 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. Technically market is under short covering as market has witnessed drop in open interest by -0.8% to settled at 11890 while prices up 28 rupees, now Gold is getting support at 47479 and below same could see a test of 47346 levels, and resistance is now likely to be seen at 47738, a move above could see prices testing 47864.

Trading Idea for the day

Gold trading range for the day is 47346-47864.

Gold prices held steady helped by speculation that a spike in coronavirus cases may prompt the U.S. Federal Reserve to defer its tapering of monetary stimulus.

The spread of the Delta coronavirus variant has raised doubts about economic growth

Many officials present at the Fed meeting believed that inflation has reached target according to July Fed meeting minutes.

MCX SILVER

Technical Chart



Open	High	Low	Close	Net Cng
62792.00	63690.00	62736.00	63474.00	547.00
OI	% OI	Volume	Trend	% Cng
6324.00	-23.98	13378.00	Positive	0.87

Fundamentals

Silver yesterday settled up by 0.87% at 63474 as investors remain concerned that weak economic data may delay the Federal Reserve plans to taper quantitative easing program. US private-sector growth slowed to an 8-month low as weaker recoveries were seen in both the manufacturing and service sectors due to capacity pressures, material shortages and the spread of the Delta variant. Meanwhile, investors' attention turns to the Jackson Hole Symposium later in the week when Fed Chair Powell is expected to announce some tips on the taper timeline. Sales of new U.S. single-family homes increased in July, but housing market momentum is slowing amid surging prices that are being driven by an acute shortage of properties on the market. New home sales rose 1.0% to a seasonally adjusted annual rate of 708,000 units last month, the Commerce Department said on Tuesday. June's sales pace was revised up to 701,000 units from the previously reported 676,000 units. A call by China's central bank for more economic support and signs of falling COVID-19 infections in China and India also added to investor optimism over global growth. Amid increasing COVID-19 headwinds, market participants have scaled down their expectations that Fed Chair Jerome Powell's speech at Jackson Hole this week will indicate a timeline for winding down the Fed's bond-buying program. Technically market is under short covering as market has witnessed drop in open interest by -23.98% to settled at 6324 while prices up 547 rupees, now Silver is getting support at 62910 and below same could see a test of 62346 levels, and resistance is now likely to be seen at 63864, a move above could see prices testing 64254.

Trading Idea for the day

Silver trading range for the day is 62346-64254.

Silver remained supported as investors remain concerned that weak economic data may delay the Federal Reserve plans to taper quantitative easing program.

US private-sector growth slowed to an 8-month low as weaker recoveries were seen in both the manufacturing and service sectors due to capacity pressures

Sales of new U.S. single-family homes increased in July

MCX CRUDEOIL

Technical Chart



Open	High	Low	Close	Net Cng
4893.00	5030.00	4880.00	5021.00	134.00
OI	% OI	Volume	Trend	% Cng
4795.00	12.43	56957.00	Positive	2.74

Fundamentals

Crude oil yesterday settled up by 2.74% at 5021 on a bullish demand outlook as Mexico suffered a big production outage and U.S. regulators issued their first full approval for a COVID-19 vaccine. The U.S. Food and Drug AdministrationFDA, which last December authorised the Pfizer/BioNtech two-dose vaccine for emergency use, has now issued full approval for use in people age 16 and older. Also boosting prices, U.S. crude and gasoline inventories likely declined last week, while distillate stockpiles are expected to have increased. Indian refiners' crude throughput in July bounced to its highest in three months as fuel demand rebounded, which supported prices. Price gains were capped after the U.S. Department of Energy said it would sell up to 20 million barrels of crude from the emergency oil reserve to comply with legislation passed in recent years, with deliveries of the oil to take place between Oct. 1 and Dec. 15. The added supplies from the sale are expected to weigh on sour crude grades in the U.S. Gulf Coast, traders said. Mars crude, the main sour crude sold in the U.S Gulf Coast market, is already at the lowest levels in about a month on oversupply and slow global demand. Technically market is under fresh buying as market has witnessed gain in open interest by 12.43% to settled at 4795 while prices up 134 rupees, now Crude oil is getting support at 4924 and below same could see a test of 4827 levels, and resistance is now likely to be seen at 5074, a move above could see prices testing 5127.

Trading Idea for the day

Crude oil trading range for the day is 4827-5127.

Crude oil rose on a bullish demand outlook as Mexico suffered a big production outage and U.S. regulators issued their first full approval for a COVID-19 vaccine.

India's July refinery processing highest in three months

U.S. to sell up to 20 mln barrels of SPR oil

MCX NATURALGAS

Technical Chart



Open	High	Low	Close	Net Cng
291.90	294.50	288.20	288.90	-2.00
OI	% OI	Volume	Trend	% Cng
1872.00	-57.62	28528.00	Negative	-0.69

Fundamentals

Nat.Gas yesterday settled down by -0.69% at 288.9 as forecasts for lower demand this week offset an outlook calling for the hot weather and high air conditioning use to continue into early September. 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 monthly high of 95.4 bcfd in November 2019. Refinitiv projected average U.S. gas demand, including exports, would hold near 93.7 bcfd this week and next. The forecast for this week, however, was lower than Refinitiv projected on Monday due to lower liquefied natural gas (LNG) exports and lower power generator demand. U.S. natural gas storage is expected to end the April-October injection season at 3.558 trillion cubic feet (tcf) on Oct. 31, the lowest since 2018. That compares with a four-year high of 3.929 tcf at the end of the summer injection season in 2020 and a five-year (2016-2020) average of 3.751 tcf. There was 3.326 tcf in storage at the end of October 2018, a 13-year low. U.S. pipeline exports to Mexico slipped to an average of 6.1 bcfd so far in August from 6.6 bcfd in July and a record 6.8 bcfd in June. Technically market is under long liquidation as market has witnessed drop in open interest by -57.62% to settled at 1872 while prices down -2 rupees, now Natural gas is getting support at 286.5 and below same could see a test of 284.2 levels, and resistance is now likely to be seen at 292.8, a move above could see prices testing 296.8.

Trading Idea for the day

Natural gas trading range for the day is 284.2-296.8.

Natural gas remained in range as forecasts for lower demand this week offset an outlook calling for the hot weather

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
711.90	720.15	707.30	716.60	4.65
OI	% OI	Volume	Trend	% Cng
3516.00	44.87	8167.00	Positive	0.65

Fundamentals

Copper yesterday settled up by 0.65% at 716.6 as the premium of LME cash copper to the three-month contract was \$27.95 a tonne, its biggest since April 23, indicating tightening nearby supplies. 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. World refined copper output in May was 2.09 million tonnes, while consumption was 2.09 million tonnes. On the macro front, U.S. Food and Drug Administration's full approval of Pfizer and BioNTech's Covid-19 vaccine has eased the market's worries over economy recovery. Data showed that US Market manufacturing and services PMI for August was both sluggish, with the slowest growth rate in eight months, lowering market expectations for an accelerated tapering monetary policy. US dollar index fell after recording largest weekly gains in two months, lifting non-ferrous metals to the positive territory. Technically market is under fresh buying as market has witnessed gain in open interest by 44.87% to settled at 3516 while prices up 4.65 rupees, now Copper is getting support at 709.3 and below same could see a test of 701.9 levels, and resistance is now likely to be seen at 722.1, a move above could see prices testing 727.5.

Trading Idea for the day

Copper trading range for the day is 701.9-727.5.

Copper prices rose as the premium of LME cash copper to the three-month contract was \$27.95 a tonne, indicating tightening nearby supplies.

US FDA's full approval of Pfizer and BioNTech's Covid-19 vaccine has eased the market's worries over economy recovery.

The global world refined copper market showed a 2,000 tonnes surplus in May, compared with a 86,000 tonnes deficit in April

MCX ZINC

Technical Chart



Open	High	Low	Close	Net Cng
244.00	247.70	243.50	247.10	3.70
OI	% OI	Volume	Trend	% Cng
1117.00	44.50	2259.00	Positive	1.52

Fundamentals

Zinc yesterday settled up by 1.52% at 247.1 as the market's worries over economy recovery eased after U.S. Food and Drug Administration's full approval of Pfizer and BioNTech's Covid-19 vaccine. In spot market, inventories in two major markets in China added with processing charges rebounding slightly from low. Data showed that US Market manufacturing and services PMI for August was both sluggish, with the slowest growth rate in eight months, lowering market expectations for an accelerated tapering monetary policy. China's new home prices rose at the slowest clip in six months in July, as authorities further tightened rules in the red-hot property sector, including limits on some categories of purchases. Average new home prices in China's 70 major cities rose 0.3% in July from a month earlier, slowing from a 0.5% gain in June, according to Reuters calculations based on data released by the National Bureau of Statistics (NBS). Separate showed property investment also rose at a slower pace in January-July from a year earlier, amid tightened financing rules. China's property market rebounded quickly from the COVID-19 crisis last year, triggering concerns about financial risks in an overheated market. The global zinc market was undersupplied by 20,200 tonnes in June following a revised deficit of 23,500 tonnes in May. Technically market is under fresh buying as market has witnessed gain in open interest by 44.5% to settled at 1117 while prices up 3.7 rupees, now Zinc is getting support at 244.5 and below same could see a test of 241.9 levels, and resistance is now likely to be seen at 248.7, a move above could see prices testing 250.3.

Trading Idea for the day

Zinc trading range for the day is 241.9-250.3.

Zinc gained as the market's worries over economy recovery eased after US FDA's full approval of Pfizer and BioNTech's Covid-19 vaccine.

In spot market, inventories in two major markets in China added with processing charges rebounding slightly from low.

China's new home price growth slows as speculative curbs bite



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MCX NICKEL

Technical Chart



Open	High	Low	Close	Net Cng
711.90	720.15	707.30	716.60	4.65
OI	% OI	Volume	Trend	% Cng
3516.00	44.87	8167.00	Positive	0.65

Fundamentals

Nickel yesterday settled up by 0.7% at 1432.7 after a smelter in north China has suspended refined nickel production recently due to high production costs. Demand and supply gap still exists on the fundamentals, and the market shall pay attention to the demand scenario of stainless steel and new energy sectors. 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. Jilin Jien Nickel, a nickel producer in northeast China, has halted output of nickel cathodes because they are no longer profitable. 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's central bank injected billions of yuan through medium-term loans into the financial system, which many market participants interpreted as an effort to prop up the economy, although the cost of such borrowing was left unchanged. Technically market is under fresh buying as market has witnessed gain in open interest by 19.03% to settled at 957 while prices up 10 rupees, now Nickel is getting support at 1420.4 and below same could see a test of 1408.2 levels, and resistance is now likely to be seen at 1445.3, a move above could see prices testing 1458.

Trading Idea for the day

Nickel trading range for the day is 1408.2-1458.

Nickel prices rose after a smelter in north China has suspended refined nickel production recently due to high production costs.

Chinese nickel producer Jien halts cathode output

China cbank offers more medium-term loan than expected to cushion economic slowdown

MCX ALUMINIUM

Technical Chart



Open	High	Low	Close	Net Cng
244.00	247.70	243.50	247.10	3.70
OI	% OI	Volume	Trend	% Cng
1117.00	44.50	2259.00	Positive	1.52

Fundamentals

Aluminium yesterday settled up by 0.51% at 207.35 as prices for alumina have hit their highest in almost six months after a blaze at the Jamalco refinery in Jamaica led to fears of tighter supply. COMEX alumina futures, assessed free-on-board (FOB) from key producer Australia, rose to \$302.14 per tonne, up from \$300.48 tonne on Friday and the highest since Feb. 25. Alumina prices have been climbing since mid-April amid strong demand for aluminium and disruption in China due to flooding. 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. 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. Technically market is under fresh buying as market has witnessed gain in open interest by 31.21% to settled at 1589 while prices up 1.05 rupees, now Aluminium is getting support at 206.1 and below same could see a test of 204.7 levels, and resistance is now likely to be seen at 208.6, a move above could see prices testing 209.7

Trading Idea for the day

Aluminium trading range for the day is 204.7-209.7.

Aluminium prices remained supported as prices for alumina rose after a blaze at the Jamalco refinery in Jamaica led to fears of tighter supply.

Prices have been climbing amid strong demand for aluminium and disruption in China due to flooding.

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



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