

Daily Commodity Analysis Report

Thursday, August 26, 2021
Thursday



COMMODITY MARKET

MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA	
Gold	1 Kg	47179.00	-0.91	0.53	-1.45	-5.90	-10.51	SELL	SELL	SELL	
Silver	30 Kg	63272.00	-0.32	-0.09	-5.42	-7.23	-6.98	SELL	SELL	SELL	
\$Gold	100 Tr. Oz	1788.53	-0.08	0.55	-1.15	-5.74	-8.82	SELL	SELL	SELL	
\$ Silver	5000 Tr. Oz	23.779	-0.17	0.21	-4.88	-9.78	-14.59	SELL	SELL	SELL	
Crude	100 BBL	5057.00	0.72	-0.65	0.71	43.25	36.39	SELL	BUY	BUY	
Nat.Gas	1250 mmBtu	289.20	0.1	0.21	0.35	58.70	38.34	BUY	BUY	BUY	
\$ Crude	1,000 Barrels	68.36	1.21	-1.65	1.49	40.34	37.05	SELL	BUY	BUY	
\$ Nat. Gas	10000 mmBtu	3.90	0.03	0.21	0.35	58.70	38.34	BUY	BUY	BUY	
Aluminium	5MT	208.40	0.51	0.07	6.60	47.47	29.74	BUY	BUY	BUY	#
Copper	2500Kg	716.55	-0.01	-2.32	-0.70	20.52	26.19	SELL	SELL	BUY	#
Lead	5MT	179.30	0.08	-0.25	1.25	16.00	13.04	BUY	BUY	BUY	#
Nickel	1500Kg	1439.90	0.5	-3.49	2.77	18.71	23.32	BUY	BUY	BUY	#
Zinc	5MT	246.75	-0.14	-1.32	1.66	34.63	20.13	BUY	BUY	BUY	#
LME Alum	25 Tonnes	2616.00	-0.15	0.29	6.51	32.21	31.91	BUY	BUY	BUY	#
LME Copp	25,000 Lbs.	9326.50	-0.2	-1.81	0.09	20.60	29.28	SELL	SELL	BUY	#
LME Lead	5 Tonnes	2307.00	-0.13	-0.80	-0.71	16.34	14.16	SELL	SELL	BUY	#
LME Nickel	250 Kg	19155.00	-0.08	-2.63	2.69	15.75	23.80	BUY	BUY	BUY	#
LME Zinc	5 Tonnes	3010.00	-0.15	-0.28	1.82	9.73	17.77	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



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Thursday, August 26, 2021



SMIFS
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Currency Snapshot

Currency	Last	% Cng	
USDINR	74.28	0.06	▲
EURINR	87.24	0.05	▲
GBPINR	101.92	0.06	▲
JPYINR	67.60	-0.11	▼
EURUSD	1.1763	-0.06	▼
GBPUSD	1.3752	-0.08	▼
USDJPY	109.99	0.00	▲
Dollar Index	92.89	0.08	▲

Indices Snapshot

Indices	Last	Change	
NIFTY	16634.65	0.06	▲
SENSEX	55944.21	-0.03	▼
HANGSENG	25693.95	-0.13	▼
NIKKEI	27699.08	-0.12	▼
STRAITS	3107.49	0.00	▲
CAC 40	6669.93	0.08	▲
DAX	15864.59	-0.26	▼
DJIA	35366.26	0.09	▲
NASDAQ	15019.80	0.52	▲
JAKARTA	6113.24	0.39	▲
KOSPI	3146.81	0.27	▲

LME Stock Snapshot

Commodity	Stock	Cng
LME Aluminium	1292500	-2625
LME Copper	254300	-475
LME Lead	57025	
LME Nickel	197076	1518
LME Zinc	239525	225

Economical Data

Time	Currency	Data	Fcst	Prev
11:30am	EUR	German GfK Consumer Climate	-0.5	-0.3
1:30pm	EUR	M3 Money Supply y/y	0.076	0.083
1:30pm	EUR	Private Loans y/y	0.041	0.04
5:00pm	EUR	ECB Monetary Policy Meeting Accounts		
6:00pm	USD	Prelim GDP q/q	0.067	0.065
6:00pm	USD	Unemployment Claims	345K	348K
6:00pm	USD	Prelim GDP Price Index q/q	0.06	0.06
8:00pm	USD	Natural Gas Storage	40B	46B
Day 1	All	Jackson Hole Symposium		

Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	47179.00	11590	-2.52	Long Liquidation
Silver	63272.00	5699	-9.88	Long Liquidation
Crude	5057.00	5127	6.92	Fresh Buying
Nat.Gas	289.20	790	-57.8	Short Covering
Aluminium	208.40	1821	14.6	Fresh Buying
Copper	716.55	4052	15.24	Fresh Selling
Lead	179.30	874	21.39	Fresh Buying
Nickel	1439.90	1225	28	Fresh Buying
Zinc	246.75	1131	1.25	Fresh Selling

Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	47179.00	47355.00	176.00	167.00	9.00
Silver	63272.00	63956.00	684.00	723.00	-39.00
Crude	5057.00	5057.00	0.00	-5.00	5.00
Nat.Gas	289.20	291.60	2.40	1.90	0.50
Aluminium	208.40	207.60	-0.80	-0.50	-0.30
Copper	716.55	718.70	2.15	2.25	-0.10
Lead	179.30	178.85	-0.45	-0.70	0.25
Nickel	1439.90	1437.20	-2.70	7.40	-10.10
Zinc	246.75	245.40	-1.35	-2.25	0.90

Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	74.57	100.90	65.55	76.53
Gold / Crude Ratio	9.33	19.58	8.37	13.29
Gold / Copper Ratio	65.84	112.33	59.19	82.58
Silver / Crude Ratio	12.51	25.03	12.18	17.22
Silver / Copper Ratio	88.30	147.81	84.90	107.33
Zinc / Lead Ratio	137.62	141.74	111.81	131.22
Crude / Nat.Gas Ratio	17.49	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	47179.00	46610.00	46845.00	47012.00	47247.00	47414.00	47649.00	47816.00	Negative
Silver	63272.00	62164.00	62457.00	62865.00	63158.00	63566.00	63859.00	64267.00	Negative
\$ Gold	1790.09	1779.90	1783.00	1785.80	1788.90	1791.70	1794.80	1797.60	Negative
\$ Silver	23.83	23.50	23.60	23.70	23.80	23.90	24.00	24.10	Negative
Crude oil	5057.00	4908.00	4944.00	5000.00	5036.00	5092.00	5128.00	5184.00	Positive
Natural Gas	289.20	275.90	281.30	285.20	290.60	294.50	299.90	303.80	Positive
\$ Crude oil	68.36	67.01	67.15	67.76	67.90	68.51	68.65	69.26	Positive
\$ Natural Gas	3.8970	3.7067	3.7823	3.8397	3.9153	3.9727	4.0483	4.1057	Positive
Aluminium	208.40	206.70	207.30	207.90	208.50	209.10	209.70	210.30	Positive
Copper	716.55	707.30	711.10	713.90	717.70	720.50	724.30	727.10	Negative
Lead	179.30	177.80	178.40	178.90	179.50	180.00	180.60	181.10	Positive
Nickel	1439.90	1421.40	1428.00	1434.00	1440.60	1446.60	1453.20	1459.20	Positive
Zinc	246.75	243.50	245.00	245.90	247.40	248.30	249.80	250.70	Negative
LME Aluminium	2620.00	2569.00	2585.00	2602.50	2618.50	2636.00	2652.00	2669.50	Positive
LME Copper	9345.00	9191.67	9254.33	9299.67	9362.33	9407.67	9470.33	9515.67	Negative
LME Lead	2310.00	2241.50	2263.00	2286.50	2308.00	2331.50	2353.00	2376.50	Positive
LME Nickel	19170.00	18666.67	18813.33	18991.67	19138.33	19316.67	19463.33	19641.67	Positive
LME Zinc	3014.50	2942.50	2969.50	2992.00	3019.00	3041.50	3068.50	3091.00	Negative

Latest News Update

Bank of Japan board member Toyoaki Nakamura warned of risks to the economic outlook from a recent resurgence in COVID-19 infections, but signalled hope that consumption will get a boost once households feel safe to start spending. Nakamura said the world's third-largest economy is expected to recover as the pandemic's impact fades, pointing to the boost to growth from robust global demand and a recovery in capital expenditure. The outlook was "highly uncertain" with risks skewed to the downside, the former corporate executive said, as state of emergency curbs to combat the pandemic hurt retailers. But Nakamura signalled hope that once vaccinations proceed, consumption may get a boost from pent-up demand with Japanese households having loaded up a record 1,056 trillion yen (\$9.61 trillion) in cash and deposits. "The resurgence in infections may have somewhat delayed the timing for when pent-up demand materialises," he said in a speech on Wednesday, adding there was a chance economic activity may strengthen more than expected once the pandemic's impact eases.

Sales of new U.S. single-family homes increased in July after three straight monthly declines, but housing market momentum is slowing as surging housing prices amid tight supply sideline some first-time buyers from the market. Though the report from the Commerce Department showed a big increase in new housing inventory, the jump was driven by a record rise in homes that are yet to be built. Builders are taking longer to complete houses, hobbled by expensive raw materials as well as scarce land and workers. New home sales rose 1.0% to a seasonally adjusted annual rate of 708,000 units last month. June's sales pace was revised up to 701,000 units from the previously reported 676,000 units. Sales jumped to a rate of 993,000 units in January, the highest since the end of 2006, driven by historically low mortgage rates and a desire for spacious accommodations as Americans worked from home and took online classes during the COVID-19 pandemic.

MCX GOLD

Technical Chart



Open	High	Low	Close	Net Cng
47435.00	47482.00	47080.00	47179.00	-433.00
OI	% OI	Volume	Trend	% Cng
11590.00	-2.52	7144.00	Negative	-0.91

Fundamentals

Gold yesterday settled down by -0.91% at 47179 as the dollar ticked higher and investors hoped for a timeline for the tapering of economic support from the U.S. Federal Reserve at this week's Jackson Hole symposium. Jerome Powell is to speak on Friday at the Fed's annual economic symposium at Jackson Hole, Wyoming, which had to be moved online because of a U.S. COVID-19 surge. Investors remain divided over whether they will get a roadmap on when the U.S. central bank may start trimming its bond-buying program and if Powell would tone down the Fed's hawkish tone, in turn helping gold. 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. 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 long liquidation as market has witnessed drop in open interest by -2.52% to settled at 11590 while prices down -433 rupees, now Gold is getting support at 47012 and below same could see a test of 46845 levels, and resistance is now likely to be seen at 47414, a move above could see prices testing 47649.

Trading Idea for the day

Gold trading range for the day is 46845-47649.

Gold retreated as the dollar ticked higher and investors hoped for a timeline for the tapering of economic support from the Fed at Jackson Hole symposium.

Investors remain divided over whether they will get a roadmap on when the U.S. central bank may start trimming its bond-buying program

Jerome Powell is to speak on Friday at the Fed's annual economic symposium at Jackson Hole, which had to be moved online because of a U.S. COVID-19 surge.

MCX SILVER

Technical Chart



Open	High	Low	Close	Net Cng
63001.00	63451.00	62750.00	63272.00	-202.00
OI	% OI	Volume	Trend	% Cng
5699.00	-9.88	10475.00	Negative	-0.32

Fundamentals

Silver yesterday settled down by -0.32% at 63272 as the dollar is moving up, recovering from recent losses ahead of the upcoming Jackson Hole Symposium where the Fed policymakers are expected to spell out their plans about tapering the bank's bond-buying program. The dollar moved in a very tight range amid improved risk appetite after U.S. authorities gave full approval for the Pfizer-BioNTech COVID vaccine. New orders for key U.S.-made capital goods were unexpectedly flat in July amid supply constraints, suggesting a moderation in business spending on equipment at the start of the third quarter after robust growth over the past year. Still, business investment in equipment remains strong, with the report from the Commerce Department showing shipments of these capital goods accelerating last month. Investment in equipment is expected to help to offset cooling consumer spending and keep the economy on a solid growth path this quarter. On the economic front, the Commerce Department released a report showed a rebound in U.S. new home sales in the month of July. The report showed new home sales increased by 1.0 percent to an annual rate of 708,000 in July after slumping by 2.6 percent to an upwardly revised rate of 701,000 in June. Technically market is under long liquidation as market has witnessed drop in open interest by -9.88% to settled at 5699 while prices down -202 rupees, now Silver is getting support at 62865 and below same could see a test of 62457 levels, and resistance is now likely to be seen at 63566, a move above could see prices testing 63859.

Trading Idea for the day

Silver trading range for the day is 62457-63859.

Silver prices are edging lower as the dollar is moving up, recovering from recent losses ahead of the upcoming Jackson Hole Symposium

The Fed policymakers are expected to spell out their plans about tapering the bank's bond-buying program.

New orders for key U.S.-made capital goods were unexpectedly flat in July amid supply constraints

MCX CRUDEOIL

Technical Chart



Open	High	Low	Close	Net Cng
4997.00	5072.00	4980.00	5057.00	36.00
OI	% OI	Volume	Trend	% Cng
5127.00	6.92	59265.00	Positive	0.72

Fundamentals

Crude oil yesterday settled up by 0.72% at 5057 after U.S. government data showed that fuel demand has climbed to its highest since the start of the COVID-19 pandemic. Crude inventories fell by 3 million barrels in the last week to 432.6 million barrels. Crude stocks at the Cushing, Oklahoma, delivery hub rose by 70,000 barrels in the last week, EIA said. U.S. gasoline stocks fell by 2.2 million barrels in the week to 225.92 million barrels, the EIA said, compared with expectations for a 1.6 million-barrel drop. Distillate stockpiles, which include diesel and heating oil, rose by 0.6 million barrels in the week to 138.46 million barrels, versus expectations for a 0.3 million-barrel drop, the EIA data showed. U.S. total product supplied rose last week to the highest since March 2020, Energy Information Administration data showed. Product supplied, a proxy for fuel demand, rose to 21.8 million barrels per day, the data showed. Meanwhile, crude inventories fell to about 432.6 million barrels, their lowest since January 2020. Stocks of crude oil in the United States fell by 1.622 million barrels in the week ended August 20th of 2021, following a 1.163 million barrels drop in the previous week, and marking the fifth straight weekly decline, data from the American Petroleum Institute showed. Technically market is under fresh buying as market has witnessed gain in open interest by 6.92% to settled at 5127 while prices up 36 rupees, now Crude oil is getting support at 5000 and below same could see a test of 4944 levels, and resistance is now likely to be seen at 5092, a move above could see prices testing 5128.

Trading Idea for the day

Crude oil trading range for the day is 4944-5128.

Crude oil rose prices after U.S. government data showed that fuel demand has climbed to its highest since the start of the COVID-19 pandemic.

Crude inventories fell by 3 million barrels in the last week to 432.6 million barrels.

U.S. oil product supplied hits highest since March 2020 – EIA

MCX NATURALGAS

Technical Chart



Open	High	Low	Close	Net Cng
287.20	296.00	286.70	289.20	0.30
OI	% OI	Volume	Trend	% Cng
790.00	-57.80	18532.00	Positive	0.10

Fundamentals

Nat.Gas yesterday settled up by 0.1% at 289.2 on forecasts for hot weather and high air conditioning demand 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 short covering as market has witnessed drop in open interest by -57.8% to settled at 790 while prices up 0.3 rupees, now Natural gas is getting support at 285.2 and below same could see a test of 281.3 levels, and resistance is now likely to be seen at 294.5, a move above could see prices testing 299.9.

Trading Idea for the day

Natural gas trading range for the day is 281.3-299.9.

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
715.00	721.55	714.95	716.55	-0.05
OI	% OI	Volume	Trend	% Cng
4052.00	15.24	12212.00	Negative	-0.01

Fundamentals

Copper yesterday settled down by -0.01% at 716.55 as prices pared gains seen earlier helped by signs of strong demand in top consumer China and a steep decline in inventories available in the London Metal Exchange (LME) warehouse system. Chinese Yangshan copper import premiums have risen above \$100 a tonne from as low as \$21 in June, suggesting stronger demand for overseas metal. Cash copper on the LME has flipped to a premium against the three-month contract from a roughly \$30 discount in mid-August. A premium indicates tighter supply of quickly deliverable metal. On-warrant copper inventories in LME-registered warehouses fell to 178,125 tonnes from almost 240,000 tonnes a week ago. The U.S. House of Representatives voted to advance key parts of President Joe Biden's agenda including an infrastructure plan. Chilean state-owned miner Codelco, the world's largest copper producer, said it reached agreement on a new contract with supervisors at its Andina mine. China's central bank increased its short-term fund injection through open market operations to meet higher cash demand towards the month-end. The People's Bank of China (PBOC) said it offered 50 billion yuan (\$7.72 billion) through seven-day reverse repos into the banking system, whereas it mostly only injected 10 billion yuan each day during the month. Technically market is under fresh selling as market has witnessed gain in open interest by 15.24% to settled at 4052 while prices down -0.05 rupees, now Copper is getting support at 713.9 and below same could see a test of 711.1 levels, and resistance is now likely to be seen at 720.5, a move above could see prices testing 724.3.

Trading Idea for the day

Copper trading range for the day is 711.1-724.3.

Copper steadied helped by signs of strong demand in China and a steep decline in inventories available in the LME warehouse system.

Chinese Yangshan copper import premiums have risen above \$100 a tonne from as low as \$21 in June, suggesting stronger demand for overseas metal.

Cash copper on the LME has flipped to a premium against the three-month contract from a roughly \$30 discount in mid-August.

MCX ZINC

Technical Chart



Open	High	Low	Close	Net Cng
246.70	248.95	246.55	246.75	-0.35
OI	% OI	Volume	Trend	% Cng
1131.00	1.25	2932.00	Negative	-0.14

Fundamentals

Zinc yesterday settled down by -0.14% at 246.75 paring gains on profit booking after seen supported as the US House of Representatives approved the \$3.5 trillion budget blueprint supported by Biden, which boosted market sentiments. 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. China imported 32,700 mt of refined zinc in July, down 12.69% on the month and 25.64% on the year, according to customs data. Total exports of refined zinc stood at 740 mt, with net imports of 32,000 mt in July. Imports totalled 301,900 mt in January-July, a year-on-year increase of 13.14%. The top 5 supply countries in July include Kazakhstan (48.4%), Australia (21.4%), India (8.5%), South Korea (8.2%) and UAE (6.2%). Imports from Kazakhstan rose sharply while those from South Korea fell significantly on a monthly basis. The market is still waiting for this week's annual Jackson Hole Meeting to learn more about when the Fed will begin to reduce bond purchases. Technically market is under fresh selling as market has witnessed gain in open interest by 1.25% to settled at 1131 while prices down -0.35 rupees, now Zinc is getting support at 245.9 and below same could see a test of 245 levels, and resistance is now likely to be seen at 248.3, a move above could see prices testing 249.8.

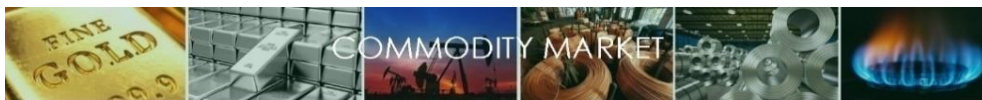
Trading Idea for the day

Zinc trading range for the day is 245-249.8.

Zinc pared gains on profit booking after seen supported as the US House of Representatives approved the \$3.5 trillion budget blueprint

The global zinc market was undersupplied by 20,200 tonnes in June following a revised deficit of 23,500 tonnes in May.

China imported 32,700 mt of refined zinc in July, down 12.69% on the month and 25.64% on the year



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MCX NICKEL

Technical Chart



Open	High	Low	Close	Net Cng
715.00	721.55	714.95	716.55	-0.05
OI	% OI	Volume	Trend	% Cng
4052.00	15.24	12212.00	Negative	-0.01

Fundamentals

Nickel yesterday settled up by 0.5% at 1439.9 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 28% to settled at 1225 while prices up 7.2 rupees, now Nickel is getting support at 1434 and below same could see a test of 1428 levels, and resistance is now likely to be seen at 1446.6. a move above could see prices testing 1453.2.

Trading Idea for the day

Nickel trading range for the day is 1428-1453.2.

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
246.70	248.95	246.55	246.75	-0.35
OI	% OI	Volume	Trend	% Cng
1131.00	1.25	2932.00	Negative	-0.14

Fundamentals

Aluminium yesterday settled up by 0.51% at 208.4 as LME cash aluminium has been trading at a premium over the three-month contract for eight straight sessions, as inventories in both LME and ShFE warehouses fell. The U.S. House of Representatives voted to advance key parts of President Joe Biden's agenda including an infrastructure plan. 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, three sources directly involved in quarterly pricing talks said. 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 fresh buying as market has witnessed gain in open interest by 14.6% to settled at 1821 while prices up 1.05 rupees, now Aluminium is getting support at 207.9 and below same could see a test of 207.3 levels, and resistance is now likely to be seen at 209.1, a move above could see prices testing 209.7.

Trading Idea for the day

Aluminium trading range for the day is 207.3-209.7.

Aluminium gained as LME cash aluminium has been trading at a premium over the three-month contract, as inventories in both LME and ShFE warehouses fell.

The U.S. House of Representatives voted to advance key parts of President Joe Biden's agenda including an infrastructure plan.

German business morale fell for the second month running in August.



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