

Daily Commodity Analysis Report

Friday, August 27, 2021
Friday



MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA	
Gold	1 Kg	47237.00	0.12	0.64	-1.34	-5.80	-10.39	SELL	SELL	SELL	
Silver	30 Kg	62723.00	-0.87	-0.83	-6.20	-7.91	-7.77	SELL	SELL	SELL	
\$Gold	100 Tr. Oz	1797.74	0.34	0.72	-0.98	-5.57	-8.63	SELL	SELL	SELL	
\$ Silver	5000 Tr. Oz	23.644	0.44	-0.79	-5.93	-10.68	-15.75	SELL	SELL	SELL	
Crude	100 BBL	5044.00	-0.26	-0.73	0.63	43.13	36.34	SELL	BUY	BUY	
Nat.Gas	1250 mmBtu	312.50	7.17	8.09	8.22	72.32	43.21	BUY	BUY	BUY	
\$ Crude	1,000 Barrels	67.42	-1.38	-1.74	1.40	40.22	37.00	SELL	BUY	BUY	
\$ Nat. Gas	10000 mmBtu	4.18	7.36	8.09	8.22	72.32	43.21	BUY	BUY	BUY	
Aluminium	5MT	209.00	0.29	0.41	6.91	47.96	29.98	BUY	BUY	BUY	#
Copper	2500Kg	714.10	-0.34	-2.72	-1.09	20.05	25.90	SELL	SELL	BUY	#
Lead	5MT	177.05	-1.25	-1.75	-0.23	14.29	11.74	BUY	BUY	BUY	#
Nickel	1500Kg	1410.70	-2.03	-5.51	0.86	16.43	21.82	BUY	BUY	BUY	#
Zinc	5MT	246.70	-0.02	-1.38	1.60	34.55	20.09	BUY	BUY	BUY	#
LME Alum	25 Tonnes	2629.50	0.36	0.44	6.65	32.42	32.01	BUY	BUY	BUY	#
LME Copp	25,000 Lbs.	9330.00	0.33	-2.37	-0.46	19.95	28.89	SELL	SELL	BUY	#
LME Lead	5 Tonnes	2292.50	0.07	-1.88	-1.79	15.11	13.24	SELL	SELL	BUY	#
LME Nickel	250 Kg	18695.00	-0.58	-4.74	0.69	13.43	22.24	BUY	BUY	BUY	#
LME Zinc	5 Tonnes	2991.00	-0.23	-0.92	1.20	9.04	17.25	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

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Currency Snapshot

Currency	Last	% Cng	
USDINR	74.23	-0.07	▼
EURINR	87.41	0.20	▲
GBPINR	102.03	0.10	▲
JPYINR	67.48	-0.18	▼
EURUSD	1.1756	0.02	▲
GBPUSD	1.3697	-0.02	▼
USDJPY	109.98	-0.06	▼
Dollar Index	93.02	-0.03	▼

Indices Snapshot

Indices	Last	Change	
NIFTY	16636.90	0.01	▲
SENSEX	55949.10	0.01	▲
HANGSENG	25324.19	-1.44	▼
NIKKEI	27737.74	0.05	▲
STRAITS	3106.07	-0.05	▼
CAC 40	6653.10	-0.35	▼
DAX	15769.31	-0.58	▼
DJIA	35405.50	0.11	▲
NASDAQ	15041.86	0.15	▲
JAKARTA	6060.90	-0.86	▼
KOSPI	3123.52	-0.74	▼

LME Stock Snapshot

Commodity	Stock	Cng
LME Aluminium	1306950	14450
LME Copper	254300	
LME Lead	56725	-300
LME Nickel	196290	-786
LME Zinc	239650	125

Economical Data

Time	Currency	Data	Fcst	Prev
11:30am	EUR	German Import Prices m/m	0.012	0.016
6:00pm	USD	Core PCE Price Index m/m	0.003	0.004
6:00pm	USD	Goods Trade Balance	-90.8B	-91.2B
6:00pm	USD	Personal Income m/m	0.002	0.001
6:00pm	USD	Personal Spending m/m	0.004	0.01
6:00pm	USD	Prelim Wholesale Inventories m/m	0.01	0.011
7:30pm	USD	Fed Chair Powell Speaks		
7:30pm	USD	Revised UoM Consumer Sentiment	70.9	70.2
7:30pm	USD	Revised UoM Inflation Expectations		0.046
Day 2	All	Jackson Hole Symposium		

Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	47237.00	11391	-1.72	Short Covering
Silver	62723.00	5319	-6.67	Long Liquidation
Crude	5044.00	4910	-4.23	Long Liquidation
Nat.Gas	312.50	23320	132.41	Fresh Buying
Aluminium	209.00	1805	-0.88	Short Covering
Copper	714.10	4136	2.07	Fresh Selling
Lead	177.05	1173	34.21	Fresh Selling
Nickel	1410.70	1586	29.47	Fresh Selling
Zinc	246.70	1188	5.04	Fresh Selling

Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	47237.00	47407.00	170.00	176.00	-6.00
Silver	62723.00	63283.00	560.00	684.00	-124.00
Crude	5044.00	5044.00	0.00	0.00	0.00
Nat.Gas	312.50	317.30	4.80	5.70	-0.90
Aluminium	209.00	207.65	-1.35	-0.80	-0.55
Copper	714.10	715.00	0.90	2.15	-1.25
Lead	177.05	177.30	0.25	-0.45	0.70
Nickel	1410.70	1406.80	-3.90	-2.70	-1.20
Zinc	246.70	245.10	-1.60	-1.35	-0.25

Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	75.31	100.90	65.55	76.53
Gold / Crude Ratio	9.36	19.58	8.37	13.29
Gold / Copper Ratio	66.15	112.33	59.19	82.58
Silver / Crude Ratio	12.44	25.03	12.18	17.22
Silver / Copper Ratio	87.84	147.81	84.90	107.33
Zinc / Lead Ratio	139.34	141.74	111.81	131.22
Crude / Nat.Gas Ratio	16.14	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	47237.00	46542.00	46738.00	46988.00	47184.00	47434.00	47630.00	47880.00	Positive
Silver	62723.00	61425.00	61911.00	62317.00	62803.00	63209.00	63695.00	64101.00	Negative
\$ Gold	1791.58	1785.10	1788.20	1792.90	1796.00	1800.70	1803.80	1808.50	Positive
\$ Silver	23.54	23.30	23.40	23.50	23.60	23.70	23.80	23.90	Negative
Crude oil	5044.00	4906.00	4945.00	4994.00	5033.00	5082.00	5121.00	5170.00	Negative
Natural Gas	312.50	275.50	283.90	298.20	306.60	320.90	329.30	343.60	Positive
\$ Crude oil	67.42	65.80	66.43	66.93	67.56	68.06	68.69	69.19	Negative
\$ Natural Gas	4.1840	3.6600	3.7780	3.9810	4.0990	4.3020	4.4200	4.6230	Positive
Aluminium	209.00	205.00	206.00	207.50	208.50	210.00	211.00	212.50	Positive
Copper	714.10	706.10	708.60	711.30	713.80	716.50	719.00	721.70	Negative
Lead	177.05	172.80	174.50	175.80	177.50	178.80	180.50	181.80	Negative
Nickel	1410.70	1367.40	1387.00	1398.90	1418.50	1430.40	1450.00	1461.90	Negative
Zinc	246.70	242.00	243.20	245.00	246.20	248.00	249.20	251.00	Negative
LME Aluminium	2620.00	2550.50	2572.00	2596.00	2617.50	2641.50	2663.00	2687.00	Positive
LME Copper	9299.00	9140.67	9204.33	9251.67	9315.33	9362.67	9426.33	9473.67	Negative
LME Lead	2291.00	2209.50	2239.00	2265.00	2294.50	2320.50	2350.00	2376.00	Negative
LME Nickel	18805.00	18103.33	18421.67	18613.33	18931.67	19123.33	19441.67	19633.33	Negative
LME Zinc	2998.00	2930.17	2953.33	2975.67	2998.83	3021.17	3044.33	3066.67	Negative

Latest News Update

New orders for key U.S.-made capital goods were unexpectedly flat in July amid supply constraints and a shift in demand to services, suggesting that business spending on equipment could slow in the second half after robust growth over the past year. Still, business investment in equipment remains strong, with the report from the Commerce Department on Wednesday showing shipments of these capital goods accelerating last month. Orders are 18% above their pre-pandemic levels. Investment in equipment is expected to help offset cooling consumer spending and keep the economy on a solid growth path this quarter. Last month's unchanged reading in orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, followed an upwardly revised 1.0% increase in June. Business spending on equipment notched four straight quarters of double-digit growth, helping to power the economy's recovery from a short and sharp COVID-19 pandemic recession, driven by strong demand for goods, thanks to record-low interest rates and massive fiscal stimulus.

The prices Japanese companies charge each other for services rose for a fifth straight month in July, data showed, a sign the economy was holding up despite the hit from a resurgence in COVID-19 cases and curbs to combat the pandemic. But the annual pace of increase slowed for two straight months and paled in comparison to a recent jump in wholesale inflation, underscoring the pain the pandemic has inflicted on the country's service sector. The services producer price index rose 1.1% in July from a year earlier after a revised 1.3% gain in June, Bank of Japan data showed. The increase was driven by a 1.4% rise in transportation fees with international freight costs jumping 24.6%, highlighting the cost pressure companies are facing amid robust global demand for goods. Hotel service fees rose 10.8% to mark the biggest annual increase in nearly six years, reflecting a boost to demand from the Tokyo Olympics held from July 23 to Aug. 8, the data showed.

MCX GOLD

Technical Chart



Open	High	Low	Close	Net Cng
47181.00	47380.00	46934.00	47237.00	58.00
OI	% OI	Volume	Trend	% Cng
11391.00	-1.72	6287.00	Positive	0.12

Fundamentals

Gold yesterday settled up by 0.12% at 47237 as Federal Reserve Chair Jerome Powell's highly anticipated speech to the Jackson Hole economic conference will likely offer few new hints about when the U.S. central bank may start reducing its massive asset purchases. But Powell could tackle the sensitive task of explaining why tapering the \$120 billion in monthly purchases of Treasuries and mortgage-backed securities doesn't mean an imminent interest rate hike, advancing an effort by Fed policymakers to keep traders from pushing up borrowing costs more than the central bank may feel is warranted or healthy for an economy with millions still unemployed. New orders for key U.S.-made capital goods were unexpectedly flat in July amid supply constraints and a shift in demand to services, suggesting that business spending on equipment could slow in the second half 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. Orders are 18% above their pre-pandemic levels. China's net gold imports via Hong Kong fell 28.6% in July from the previous month, Hong Kong Census and Statistics Department data showed. Net imports stood at 22.056 tonnes in July compared with 30.887 tonnes in June, the data showed. Total gold imports via Hong Kong fell to 26.406 tonnes from 37.226 tonnes. China is the world's top gold consumer. Technically market is under short covering as market has witnessed drop in open interest by -1.72% to settled at 11391 while prices up 58 rupees, now Gold is getting support at 46988 and below same could see a test of 46738 levels, and resistance is now likely to be seen at 47434, a move above could see prices testing 47630.

Trading Idea for the day

Gold trading range for the day is 46738-47630.

Gold steadied as Fed's Chair Powell's highly anticipated speech will likely offer few new hints about when the Fed may start reducing its massive asset purchases.

New orders for key U.S.-made capital goods were unexpectedly flat in July amid supply constraints and a shift in demand to services

China's net gold imports via Hong Kong fall 28.6% in July

MCX SILVER

Technical Chart



Open	High	Low	Close	Net Cng
63021.00	63289.00	62397.00	62723.00	-549.00
OI	% OI	Volume	Trend	% Cng
5319.00	-6.67	10369.00	Negative	-0.87

Fundamentals

Silver yesterday settled down by -0.87% at 62723 after a regional Federal Reserve president suggested a faster pace of reducing the U.S. central bank's asset purchases, comments that pushed the greenback toward a key resistance level. Bullard said in comments that he was skeptical that inflation would moderate and for that reason the Fed needed to start tapering its bond-purchasing program. Bullard's comments came as the Fed's annual symposium in Jackson Hole, Wyoming opened, with the highlight expected to be Fed Chair Jerome Powell's speech on Friday. Powell is unlikely to offer few new hints about when the Fed may start to reduce its massive asset purchases. Markets are assessing how the Fed will react to signs inflation could be less transitory than it had flagged and whether it will stick to its new policy framework of letting inflation run hot. The U.S. economy grew a bit faster than initially thought in the second quarter, lifting the level of gross domestic product above its pre-pandemic peak, as massive fiscal stimulus and the impact of COVID-19 vaccinations boosted spending. The report from the Commerce Department also showed a hefty increase in corporate profits, which should allow businesses to continue buying equipment and hiring workers, and keep the economy on a solid growth path in the third quarter even as soaring coronavirus cases cool consumer spending. Technically market is under long liquidation as market has witnessed drop in open interest by -6.67% to settled at 5319 while prices down -549 rupees, now Silver is getting support at 62317 and below same could see a test of 61911 levels, and resistance is now likely to be seen at 63209, a move above could see prices testing 63695.

Trading Idea for the day

Silver trading range for the day is 61911-63695.

Silver dropped after a regional Federal Reserve president suggested a faster pace of reducing the U.S. central bank's asset purchases

Bullard said in comments that he was skeptical that inflation would moderate and for that reason the Fed needed to start tapering its bond-purchasing program.

The U.S. economy grew a bit faster than initially thought in the second quarter, lifting the level of gross domestic product above its pre-pandemic peak

MCX CRUDEOIL

Technical Chart



Open	High	Low	Close	Net Cng
5046.00	5072.00	4984.00	5044.00	-13.00
OI	% OI	Volume	Trend	% Cng
4910.00	-4.23	55011.00	Negative	-0.26

Fundamentals

Crude oil yesterday settled down by -0.26% at 5044 as renewed concerns about demand amid rising COVID-19 infections, and as Mexico restored some oil production. The U.S. Energy Information Administration (EIA) reported that American crude inventories fell last week for a third consecutive week and overall fuel demand increased to the most since March 2020. The return of output in Mexico, where a fire on Sunday on an offshore platform killed at least five workers and knocked out a bit more than 400,000 barrels per day (bpd) of production, is also weighing on prices. More broadly, fresh COVID-19 outbreaks fuelled by the Delta variant of the coronavirus are raising concerns about the strength of the economic recovery globally. Next week, the Organization of the Petroleum Exporting Countries will meet on Sept. 1 to decide its policy amid calls from the United States to add more barrels to the market to help the global economic recovery. 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. Technically market is under long liquidation as market has witnessed drop in open interest by -4.23% to settled at 4910 while prices down -13 rupees, now Crude oil is getting support at 4994 and below same could see a test of 4945 levels, and resistance is now likely to be seen at 5082, a move above could see prices testing 5121.

Trading Idea for the day

Crude oil trading range for the day is 4945-5121.

Crude oil dropped as renewed concerns about demand amid rising COVID-19 infections, and as Mexico restored some oil production.

EIA reported that American crude inventories fell last week for a third consecutive week and overall fuel demand increased to the most since March 2020.

Next week, the OPEC will meet on Sept. 1 to decide its policy amid calls from the United States

MCX NATURALGAS

Technical Chart



Open	High	Low	Close	Net Cng
292.90	315.00	292.30	312.50	20.90
OI	% OI	Volume	Trend	% Cng
23320.00	132.41	198320.00	Positive	7.17

Fundamentals

Nat.Gas yesterday settled up by 7.17% at 312.5 on a much smaller than expected storage build during last week's hot weather. Traders also noted prices were rising on forecasts for higher liquefied natural gas (LNG) exports and the latest outlook calling for the weather to remain hotter than normal through early September. So long as the weather remains hot, power generators will burn more gas to keep air conditioners humming. The U.S. Energy Information Administration (EIA) said utilities added just 29 billion cubic feet (bcf) of gas into storage during the week ended Aug. 20. Last week's injection boosted stockpiles to 2.851 trillion cubic feet (tcf), or 6.2% below the five-year average of 3.040 tcf for this time of year. Data provider Refinitiv said gas output in the U.S. Lower 48 states rose to an average of 92.1 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 rise from 94.2 bcfd this week to 94.5 bcfd next week mostly as LNG exports rise. Those forecasts were higher than Refinitiv projected on Wednesday. U.S. pipeline exports to Mexico 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. Technically market is under fresh buying as market has witnessed gain in open interest by 132.41% to settled at 23320 while prices up 20.9 rupees, now Natural gas is getting support at 298.2 and below same could see a test of 283.9 levels, and resistance is now likely to be seen at 320.9, a move above could see prices testing 329.3.

Trading Idea for the day

Natural gas trading range for the day is 283.9-329.3.

Natural gas soared on a much smaller than expected storage build during last week's hot weather.

The U.S. Energy Information Administration (EIA) said utilities added just 29 billion cubic feet (bcf) of gas into storage

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

MCX COPPER

Technical Chart



Open	High	Low	Close	Net Cng
714.45	716.30	711.10	714.10	-2.45
OI	% OI	Volume	Trend	% Cng
4136.00	2.07	11765.00	Negative	-0.34

Fundamentals

Copper yesterday settled down by -0.34% at 714.1 as China's central bank drops hints that further monetary policy easing is coming, which ought to restore confidence in the economy, thereby its currency. For a second consecutive day, the People's Bank of China more than replaced maturing short-term loans via its daily cash injections. The recent liquidity measures were described as necessary to soothe the month-end credit tightness. The central bank's commitment to keep the economy from stalling because of the pandemic's resurgence strongly suggests another cut in banks' reserve ratio requirement (RRR) is coming. The workers' union at BHP's Cerro Colorado copper mine in Chile has called on its members to reject a final contract offer by the company, paving the way for a strike at the small deposit, the group's leadership told Reuters. The labor tensions come shortly after a court ordered the mine to cease pumping from a reservoir that supplies it with fresh water, citing environmental concerns and slowing progress on a key mine maintenance project. On-warrant copper inventories in LME-registered warehouses fell to 169,800 tonnes from almost 240,000 tonnes a week ago, suggesting tighter supply. Chile's sprawling mining sector believes a royalty bill under discussion could, as currently written, shut down the country's private miners. Technically market is under fresh selling as market has witnessed gain in open interest by 2.07% to settled at 4136 while prices down -2.45 rupees, now Copper is getting support at 711.3 and below same could see a test of 708.6 levels, and resistance is now likely to be seen at 716.5, a move above could see prices testing 719.

Trading Idea for the day

Copper trading range for the day is 708.6-719.

Copper dropped as China's central bank drops hints that further monetary policy easing is coming, which ought to restore confidence in the economy

Union at BHP's Cerro Colorado calls on workers to reject contract offer

On-warrant copper inventories in LME-registered warehouses fell to 169,800 tonnes from almost 240,000 tonnes a week ago, suggesting tighter supply.

MCX ZINC

Technical Chart



Open	High	Low	Close	Net Cng
246.00	247.40	244.40	246.70	-0.05
OI	% OI	Volume	Trend	% Cng
1188.00	5.04	4352.00	Negative	-0.02

Fundamentals

Zinc yesterday settled down by -0.02% at 246.7 as global stock markets wobbled ahead of a highly anticipated speech by U.S. Federal Reserve Chair Jerome Powell on Friday. Investors are cautious ahead of Powell's speech to the Jackson Hole economic conference, with global shares tapping the brakes and oil prices falling. The mood among German consumers darkened heading into September while lending to euro zone companies continued to slow last month. 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. Yunnan Chihong Zinc & Germanium, a unit of state-run Chinese metals group Chinalco, said one of its zinc subsidiaries had suspended production after three workers were killed in a gas leak. Four employees of the subsidiary, Hulun Buir Chihong in Inner Mongolia, inhaled a toxic gas preliminary findings indicate was carbon monoxide during an inspection of equipment. Technically market is under fresh selling as market has witnessed gain in open interest by 5.04% to settled at 1188 while prices down -0.05 rupees, now Zinc is getting support at 245 and below same could see a test of 243.2 levels, and resistance is now likely to be seen at 248, a move above could see prices testing 249.2.

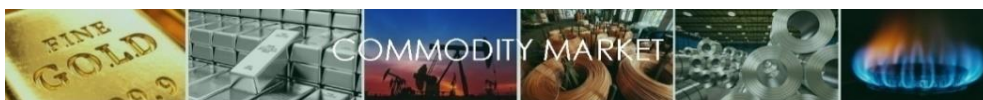
Trading Idea for the day

Zinc trading range for the day is 243.2-249.2.

Zinc settled flat as global stock markets wobbled ahead of a highly anticipated speech by U.S. Federal Reserve Chair Jerome Powell on Friday.

The mood among German consumers darkened heading into September while lending to euro zone companies continued to slow last month.

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



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MCX NICKEL

Technical Chart



Open	High	Low	Close	Net Cng
714.45	716.30	711.10	714.10	-2.45
OI	% OI	Volume	Trend	% Cng
4136.00	2.07	11765.00	Negative	-0.34

Fundamentals

Nickel yesterday settled down by -2.03% at 1410.7 in response to concerns that government efforts to cool the property market could ripple through the economy. On the macro front, the growth rate of US new orders of durable goods in July fell slightly, altering the market coupled with the slowing economic data in both US and euro zone. On the other hand, as the market awaited the Fed's attitude at the annual economic policy symposium in Jackson Hole to be held this Thursday, both long and short capitals stayed cautious and held wait-and-see stance. 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. Technically market is under fresh selling as market has witnessed gain in open interest by 29.47% to settled at 1586 while prices down -29.2 rupees, now Nickel is getting support at 1398.9 and below same could see a test of 1387 levels, and resistance is now likely to be seen at 1430.4. a move above could see prices testing 1450.

Trading Idea for the day

Nickel trading range for the day is 1387-1450.

Nickel prices dropped in response to concerns that government efforts to cool the property market could ripple through the economy.

The growth rate of US new orders of durable goods in July fell slightly

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
246.00	247.40	244.40	246.70	-0.05
OI	% OI	Volume	Trend	% Cng
1188.00	5.04	4352.00	Negative	-0.02

Fundamentals

Aluminium yesterday settled up by 0.29% at 209 due to output cut at aluminium plants in Yunnan, Guangdong and Inner Mongolia on power curtailment and dual control of energy consumption. The U.S. economy grew a bit faster than initially thought in the second quarter, lifting the level of gross domestic product above its pre-pandemic peak, as massive fiscal stimulus and the impact of COVID-19 vaccinations boosted spending. The report from the Commerce Department also showed a hefty increase in corporate profits, which should allow businesses to continue buying equipment and hiring workers, and keep the economy on a solid growth path in the third quarter even as soaring coronavirus cases cool consumer spending. Data showed that domestic aluminium social inventories stood at 753000 mt, up 12000 mt on the week, most of which was contributed by Gongyi. Arrivals of imported aluminium ingots thinned while the immediate loss of imports shrank slightly. Data showed that China's social inventories of aluminium billet across five major consumption areas fell 6,200 mt on the week to 124,400 mt as of August 26, mainly due to the decline in Foshan, Wuxi and Nanchang. Downstream producers properly restocked cargoes due to high aluminium prices and bearish orders, thus, the demand for aluminium billet declined. Technically market is under short covering as market has witnessed drop in open interest by -0.88% to settled at 1805 while prices up 0.6 rupees, now Aluminium is getting support at 207.5 and below same could see a test of 206 levels, and resistance is now likely to be seen at 210, a move above could see prices testing 211.

Trading Idea for the day

Aluminium trading range for the day is 206-211.

Aluminium gained due to output cut at aluminium plants in Yunnan, Guangdong and Inner Mongolia on power curtailment and dual control of energy consumption.

Data showed that domestic aluminium social inventories stood at 753000 mt, up 12000 mt on the week, most of which was contributed by Gongyi.

Data showed that China's social inventories of aluminium billet across five major consumption areas fell 6.200 mt



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