

Daily Commodity Analysis Report

Tuesday, August 31, 2021
Tuesday



MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA
Gold	1 Kg	47164.00	-0.79	-0.21	-1.09	-6.17	-8.17	SELL	SELL	SELL
Silver	30 Kg	63587.00	-0.74	1.78	-5.12	-7.73	-3.74	SELL	SELL	SELL
\$Gold	100 Tr. Oz	1812.40	0.15	0.83	-0.14	-5.39	-7.44	BUY	SELL	SELL
\$ Silver	5000 Tr. Oz	23.974	-0.18	2.50	-4.52	-10.38	-14.34	SELL	SELL	SELL
Crude	100 BBL	5071.00	0.18	8.34	-5.37	43.64	37.34	SELL	BUY	BUY
Nat.Gas	1250 mmBtu	315.70	-1.8	8.62	6.40	73.37	36.93	BUY	BUY	BUY
\$ Crude	1,000 Barrels	69.21	0.68	9.24	-4.93	41.09	37.11	#N/A	#N/A	#N/A
\$ Nat. Gas	10000 mmBtu	4.31	-1.89	8.62	6.40	73.37	36.93	BUY	BUY	BUY
Aluminium	5MT	211.90	0.83	2.19	4.99	48.96	30.77	BUY	BUY	BUY
Copper	2500Kg	723.35	0.61	2.06	-6.14	20.18	27.11	SELL	SELL	BUY
Lead	5MT	179.65	1.41	-1.04	0.31	14.58	12.38	SELL	BUY	BUY
Nickel	1500Kg	1444.30	1.99	0.64	-3.75	16.44	20.19	SELL	BUY	BUY
Zinc	5MT	246.30	0.45	-0.12	0.39	34.12	20.72	BUY	BUY	BUY
LME Alum	25 Tonnes	2706.50	1.98	3.88	6.51	34.21	33.11	BUY	BUY	BUY
LME Copp	25,000 Lbs.	9467.00	0.5	3.30	-4.59	20.72	29.24	SELL	SELL	BUY
LME Lead	5 Tonnes	2265.00	-0.94	2.04	-1.10	16.07	14.12	SELL	SELL	BUY
LME Nickel	250 Kg	19635.00	3.31	2.56	-2.19	14.12	19.96	BUY	BUY	BUY
LME Zinc	5 Tonnes	2990.50	0.1	2.18	0.88	9.08	16.74	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

SMIFS Limited

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Tuesday, August 31, 2021



**SMIFS
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LEGACY | TRUST | GROWTH

Currency Snapshot

Currency	Last	% Cng	
USDINR	73.51	-0.48	▼
EURINR	86.77	-0.19	▼
GBPINR	101.13	-0.17	▼
JPYINR	66.96	-0.24	▼
EURUSD	1.1804	0.07	▲
GBPUSD	1.3763	0.03	▲
USDJPY	109.85	-0.04	▼
Dollar Index	92.66	-0.03	▼

Indices Snapshot

Indices	Last	Change	
NIFTY	16931.05	1.35	▲
SENSEX	56889.76	1.36	▲
HANGSENG	25480.81	0.29	▲
NIKKEI	27734.18	0.34	▲
STRAITS	3106.31	0.83	▲
CAC 40	6691.15	0.14	▲
DAX	15884.49	0.21	▲
DJIA	35455.80	0.69	▲
NASDAQ	15129.50	1.23	▲
JAKARTA	6111.18	1.16	▲
KOSPI	3143.17	0.30	▲

LME Stock Snapshot

Commodity	Stock	Cng
LME Aluminium	1338125	31175
LME Copper	254250	-50
LME Lead	55450	-1275
LME Nickel	195252	-1038
LME Zinc	238275	-1375

Economical Data

Time	Currency	Data	Fcst	Prev
12:15pm	EUR	French Consumer Spending m/m	0.001	0.003
12:15pm	EUR	French Prelim CPI m/m	0.004	0.001
12:15pm	EUR	French Prelim GDP q/q	0.009	0.009
1:25pm	EUR	German Unemployment Change	-40K	-91K
2:30pm	EUR	CPI Flash Estimate y/y	0.027	0.022
2:30pm	EUR	Core CPI Flash Estimate y/y	0.015	0.007
2:30pm	EUR	Italian Prelim CPI m/m	0.004	0.005
6:30pm	USD	HPI m/m	0.019	0.017
6:30pm	USD	S&P/CS Composite-20 HPI y/y	0.187	0.17
7:15pm	USD	Chicago PMI	68	73.4

Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	47164.00	11268	-0.42	Long Liquidation
Silver	63587.00	10442	20.52	Fresh Selling
Crude	5071.00	4930	12.25	Fresh Buying
Nat.Gas	315.70	14211	-20.71	Long Liquidation
Aluminium	211.90	1972	4.06	Fresh Buying
Copper	723.35	4066	-1.31	Short Covering
Lead	179.65	1420	30.63	Fresh Buying
Nickel	1444.30	1547	-4.03	Short Covering
Zinc	246.30	1051	2.84	Fresh Buying

Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	47164.00	47322.00	158.00	173.00	-15.00
Silver	63587.00	64533.00	946.00	802.00	144.00
Crude	5071.00	5069.00	-2.00	-1.00	-1.00
Nat.Gas	315.70	320.30	4.60	4.20	0.40
Aluminium	211.90	210.10	-1.80	-1.75	-0.05
Copper	723.35	725.05	1.70	2.00	-0.30
Lead	179.65	180.15	0.50	-0.40	0.90
Nickel	1444.30	1437.50	-6.80	-5.30	-1.50
Zinc	246.30	243.70	-2.60	-2.35	-0.25

Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	74.17	100.90	65.55	76.50
Gold / Crude Ratio	9.30	19.58	8.37	13.23
Gold / Copper Ratio	65.20	112.33	59.19	82.33
Silver / Crude Ratio	12.54	25.03	12.18	17.15
Silver / Copper Ratio	87.91	147.81	84.90	107.05
Zinc / Lead Ratio	137.10	141.74	111.81	131.32
Crude / Nat.Gas Ratio	16.06	25.87	10.60	19.66

Commodity Market Daily Trading Levels

Commodity	Close	Support 3	Support 2	Support 1	Pivot Point	Resist 1	Resist 2	Resist 3	Trend
Gold	47164.00	46693.00	46919.00	47042.00	47268.00	47391.00	47617.00	47740.00	Negative
Silver	63587.00	62564.00	63000.00	63293.00	63729.00	64022.00	64458.00	64751.00	Negative
\$ Gold	1809.90	1803.40	1806.00	1809.20	1811.80	1815.00	1817.60	1820.80	Negative
\$ Silver	24.02	23.80	23.90	23.90	24.00	24.00	24.10	24.10	Negative
Crude oil	5071.00	4880.00	4922.00	4996.00	5038.00	5112.00	5154.00	5228.00	Positive
Natural Gas	315.70	285.60	297.80	306.80	319.00	328.00	340.20	349.20	Negative
\$ Crude oil	69.21	66.87	67.31	68.26	68.70	69.65	70.09	71.04	Positive
\$ Natural Gas	4.3050	3.8720	4.0470	4.1760	4.3510	4.4800	4.6550	4.7840	Negative
Aluminium	211.90	207.00	209.00	210.50	212.50	214.00	216.00	217.50	Positive
Copper	723.35	686.30	695.90	709.60	719.20	732.90	742.50	756.20	Positive
Lead	179.65	172.70	174.80	177.20	179.30	181.70	183.80	186.20	Positive
Nickel	1444.30	1397.20	1407.70	1426.00	1436.50	1454.80	1465.30	1483.60	Positive
Zinc	246.30	243.50	244.30	245.30	246.10	247.10	247.90	248.90	Positive
LME Aluminium	2654.00	2537.50	2578.00	2616.00	2656.50	2694.50	2735.00	2773.00	Positive
LME Copper	9420.00	9128.67	9202.33	9311.17	9384.83	9493.67	9567.33	9676.17	Positive
LME Lead	2286.50	2248.67	2265.83	2276.17	2293.33	2303.67	2320.83	2331.17	Positive
LME Nickel	19005.00	18328.33	18481.67	18743.33	18896.67	19158.33	19311.67	19573.33	Positive
LME Zinc	2987.50	2914.33	2942.17	2964.83	2992.67	3015.33	3043.17	3065.83	Positive

Latest News Update

Japan's retail sales rose for a fifth straight month in July, beating expectations as the consumer sector continued its recovery, although a coronavirus resurgence has cast doubts over the spending outlook. A surge in Delta variant cases this month forced the government to widen state of emergency restrictions, which are now threatening to hurt consumer spending and derail a fragile economic recovery. Retail sales advanced 2.4% in July from the same month a year earlier, government data showed, slightly faster than median forecast for a 2.1% rise in a poll. The better-than-expected rise in retail sales in July came as authorities struggled to get a defiant public to heed stay-at-home restrictions in major cities like Tokyo, which hosted the Olympics during the month. The trade ministry data found strong demand for a variety of items such as cars, clothing, general merchandise and food while fuel was helped by higher petrol prices.

It would be "reasonable" for the Federal Reserve to trim its bond-buying program beginning in October if strong job gains continue, Atlanta Fed President Raphael Bostic said in the latest call by a U.S. central banker to start tapering the purchases soon and end them fast. The Fed has been buying \$120 billion in U.S. Treasury bonds and mortgage-backed securities each month to stem the economic fallout from the coronavirus pandemic, but is now moving toward reducing the stimulus as the recovery gains momentum. "I would be comfortable with an October timeline for starting this" if U.S. job growth in August matches the nearly one million jobs that were added in each of the previous two months, Bostic told. The Fed could announce a plan to "taper" the asset purchases at its Sept. 21-22 policy meeting. A change is expected sometime this year, with debate still unfolding over when the plan should be announced and how fast the purchases should be reduced.

MCX GOLD

Technical Chart



Open	High	Low	Close	Net Cng
47438.00	47494.00	47145.00	47164.00	-374.00
OI	% OI	Volume	Trend	% Cng
11268.00	-0.42	4716.00	Negative	-0.79

Fundamentals

Gold yesterday settled down by -0.79% at 47164 as the dollar ticked up from its lows and investors showed caution in the run-up to the release of a key U.S. jobs report later in the week. Powell said tapering of the U.S. central bank's bond-buying program could happen this year but gave no indication as to the exact timeline for the Fed to start cutting its asset purchases, sending gold higher. Physical gold demand in India was subdued as jewellers held off purchases, hoping for a dip in prices, but top consumer China saw a slight uptick in activity. Dealers in India were charging a premium of up to \$2 an ounce over official domestic prices, inclusive of 10.75% import and 3% sales levies, compared to last week's \$3 premiums. Jewellers went on strike to oppose the government's mandate to hallmark gold jewellery and artefacts from mid-June. 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 long liquidation as market has witnessed drop in open interest by -0.42% to settled at 11268 while prices down -374 rupees, now Gold is getting support at 47042 and below same could see a test of 46919 levels, and resistance is now likely to be seen at 47391, a move above could see prices testing 47617.

Trading Idea for the day

- Gold trading range for the day is 46919-47617.
- Gold eased as the dollar ticked up from its lows and investors showed caution in the run-up to the release of a key U.S. jobs report later in the week.
- Dollar index up 0.1% after hitting nearly two-week low
- Asia Gold: Jewellers delay purchases in India; China interest ticks up

MCX SILVER

Technical Chart



Open	High	Low	Close	Net Cng
64085.00	64165.00	63436.00	63587.00	-476.00
OI	% OI	Volume	Trend	% Cng
10442.00	20.52	10325.00	Negative	-0.74

Fundamentals

Silver yesterday settled down by -0.74% at 63587 as the greenback attempted to recover from Friday's drop on comments from U.S. Federal Reserve Chair Jerome Powell that were interpreted as dovish. Powell struck a dovish tone on monetary policy, signaling that the central bank is in no rush to raise rates. Lower interest rates decrease the opportunity cost of holding non-yielding bullion. Contracts to purchase previously owned U.S. homes declined for the second consecutive month in July in step with limited supply that's been unable to keep up with demand from potential homebuyers. The National Association of Realtors (NAR) said its Pending Home Sales Index, based on contracts signed last month, fell 1.8% after dropping a revised 2.0% in June. Pending home contracts are seen as a forward-looking indicator of the health of the housing market because they become sales one to two months later. Investors began to turn their focus to Friday's U.S. payrolls report, which will provide more insight into the Fed's likely policy path. Expectations are for non-farm payrolls to increase by 750,000 in August, with the unemployment rate forecast to dip to 5.2% from 5.4%. Other data likely to be eyed this week include inflation figures from Europe as well as gauges of the U.S. and Chinese manufacturing sectors. Technically market is under fresh selling as market has witnessed gain in open interest by 20.52% to settled at 10442 while prices down -476 rupees, now Silver is getting support at 63293 and below same could see a test of 63000 levels, and resistance is now likely to be seen at 64022, a move above could see prices testing 64458.

Trading Idea for the day

- Silver trading range for the day is 63000-64458.
- Silver prices dropped as the greenback attempted to recover from drop on comments from U.S. Federal Chair Powell that were interpreted as dovish.
- Powell said tapering could begin this year, but the central bank was in no hurry to raise interest rates.
- Contracts to purchase previously owned U.S. homes declined for the second consecutive month in July in

MCX CRUDEOIL

Technical Chart



Open	High	Low	Close	Net Cng
5073.00	5080.00	4964.00	5071.00	9.00
OI	% OI	Volume	Trend	% Cng
4930.00	12.25	51184.00	Positive	0.18

Fundamentals

Crude oil yesterday settled flat at 5071 as hurricane Ida has weakened into a tropical storm over southwestern Mississippi, the U.S. National Hurricane Center (NHC) said. "Additional rapid weakening is forecast during the next day or so, and Ida is expected to become a tropical depression by this evening," the NHC added. OPEC+ is likely to keep its oil output policy unchanged when the group meets on Wednesday and continue with its planned modest production increase told. The Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia, collectively known as OPEC+, will meet on Sept. 1 to discuss the previously agreed increase of 400,000 barrels per day (bpd) for the next several months. Kuwait oil minister Mohammad al-Fares told that this week OPEC+ would discuss whether it would continue with its planned increase or reconsider it and halt the rise adding that economies of East Asian countries and China were still affected by COVID-19 and caution should be exercised. A report from Baker Hughes shows the number of active U.S. rigs drilling for oil increased by five to 410, marking the fourth weekly increase in a row. The total active U.S. rig count climbed by five to 508. Technically market is under fresh buying as market has witnessed gain in open interest by 12.25% to settled at 4930 while prices up 9 rupees, now Crude oil is getting support at 4996 and below same could see a test of 4922 levels, and resistance is now likely to be seen at 5112, a move above could see prices testing 5154.

Trading Idea for the day

Crude oil trading range for the day is 4922-5154.

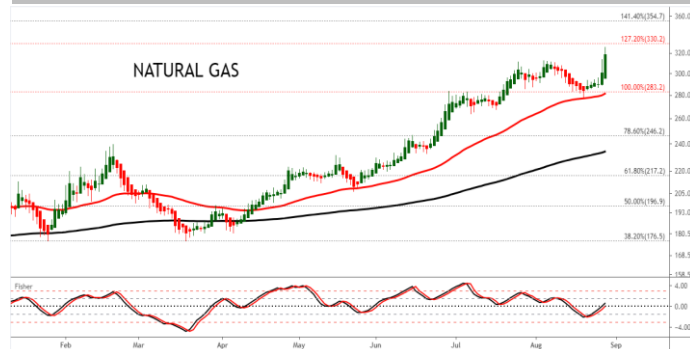
Crude oil prices settled flat as hurricane Ida has weakened into a tropical storm over southwestern Mississippi.

OPEC+ likely to keep oil output policy from September unchanged

OPEC+ will meet on Sept. 1 to discuss the previously agreed increase of 400,000 barrels per day (bpd) for the next several months.

MCX NATURALGAS

Technical Chart



Open	High	Low	Close	Net Cng
324.90	331.20	310.00	315.70	-5.80
OI	% OI	Volume	Trend	% Cng
14211.00	-20.71	182866.00	Negative	-1.80

Fundamentals

Nat.Gas yesterday settled down by -1.8% at 315.7 on projections for lower temperatures in the immediate term, and as Tropical Storm Ida quickly weakened after making landfall on the U.S. Gulf Coast. Storms typically lead to temporary price spikes due to impacts to production in the Gulf of Mexico, but they lead to lower temperatures, "causing demand destructions as well. Traders also noted that near record gas prices in Europe and Asia continued to boost U.S. gas futures on expectations U.S. liquefied natural gas (LNG) exports will rise to all-time peaks in coming months. Even though data provider Refinitiv said preliminary gas output in the U.S. Lower 48 states fell over 1 billion cubic feet per day (bcfd) on Friday due mostly to reductions in the Gulf of Mexico as producers shut-in wells ahead of Storm Ida, total U.S. production was still up to an average of 92.1 bcfd so far in August, versus 91.6 bcfd in July. With the coming of seasonally cooler weather, Refinitiv projected average U.S. gas demand, including exports, would slide from 94.3 bcfd this week to 93.6 bcfd next week and 88.8 bcfd in two weeks as power generators burn less of the fuel with air conditioning demand easing. Technically market is under long liquidation as market has witnessed drop in open interest by -20.71% to settled at 14211 while prices down -5.8 rupees, now Natural gas is getting support at 306.8 and below same could see a test of 297.8 levels, and resistance is now likely to be seen at 328, a move above could see prices testing 340.2.

Trading Idea for the day

Natural gas trading range for the day is 297.8-340.2.

Natural gas dropped on projections for lower temperatures in the immediate term, and as Tropical Storm Ida quickly weakened after making landfall on the U.S. Gulf Coast.

Storms typically lead to temporary price spikes due to impacts to production in the Gulf of Mexico, but they lead to lower temperatures, "causing demand destructions as well.

Near record gas prices in Europe and Asia continued to boost U.S. gas futures on expectations U.S. LNG exports will rise to all-time peaks in coming months.

MCX COPPER

Technical Chart



Open	High	Low	Close	Net Cng
721.00	728.80	705.50	723.35	4.35
OI	% OI	Volume	Trend	% Cng
4066.00	-1.31	8409.00	Positive	0.61

Fundamentals

Copper yesterday settled up by 0.61% at 723.35 amid an upbeat sentiment after U.S. Federal Reserve Chairman Jerome Powell struck a more dovish tone in a long-awaited speech. Powell's wait-and-see approach gave investors and market participants some reassurance that the central bank's extraordinary efforts to prop up the economy were likely to support riskier assets a while longer. Support also seen as cancelled warrants of LME copper inventories, metals earmarked for delivery, hitting their highest since July 2020 to 84,500 tonnes. Profit growth at China's industrial firms in July grew at its slowest clip this year, as elevated raw material prices and supply chain constraints from extreme weather as well as sporadic coronavirus cases weighed on the manufacturing sector. Industrial firms' profits increased 16.4% on an annual basis in July to 703.67 billion yuan (\$108.51 billion), data from the National Bureau of Statistics (NBS) showed. China's economy has staged an impressive recovery from a coronavirus-battered slump, but the expansion is losing steam as businesses grapple with higher costs and supply bottlenecks, and as consumers remain cautious with spending. In the first seven months of the year, industrial firms' profits grew a hefty 57.3% on year, due to base effects, although growth slowed from the 66.9% surge in first half of 2021. Technically market is under short covering as market has witnessed drop in open interest by -1.31% to settled at 4066 while prices up 4.35 rupees, now Copper is getting support at 709.6 and below same could see a test of 695.9 levels, and resistance is now likely to be seen at 732.9, a move above could see prices testing 742.5.

Trading Idea for the day

Copper trading range for the day is 695.9-742.5.

Copper prices rose amid an upbeat sentiment after U.S. Federal Reserve Chairman Jerome Powell struck a more dovish tone in a long-awaited speech. Support also seen as cancelled warrants of LME copper inventories, metals earmarked for delivery, hitting their highest since July 2020 to 84,500 tonnes.

Profit growth at China's industrial firms in July grew at its slowest clip this year

MCX ZINC

Technical Chart



Open	High	Low	Close	Net Cng
245.90	246.95	245.10	246.30	1.10
OI	% OI	Volume	Trend	% Cng
1051.00	2.84	2287.00	Positive	0.45

Fundamentals

Zinc yesterday settled up by 0.45% at 246.3 as support seen amid Social inventories of zinc ingots across seven major markets fell 4000 mt from Monday August 23 or down 200 mt from Friday August 27 to 126000 mt. Over the weekend, inventories in Shanghai declined the most due to scarce inflows of imported zinc; and market arrivals also fell in light of shipment issues at some smelters. Inventories in Guangdong continued to rise as market arrivals climbed after power curtailment and production restriction was eased among smelters. Tianjin also saw increase in inventories amid slightly rising market arrivals and downstream purchases on rigid demand. On the macro front, Fed Chair Powell expressed that dialling-back of bond purchase could start as early as this year, but the Fed would not rush to interest rate hike. Fed governor Waller said that interest rate hike set a much higher threshold than tapering. While Cleveland Fed Chair Mester believed that tapering shall begin by end of this year and complete by mid-2022. 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. Technically market is under fresh buying as market has witnessed gain in open interest by 2.84% to settled at 1051 while prices up 1.1 rupees, now Zinc is getting support at 245.3 and below same could see a test of 244.3 levels, and resistance is now likely to be seen at 247.1, a move above could see prices testing 247.9.

Trading Idea for the day

Zinc trading range for the day is 244.3-247.9.

Zinc prices gained as support seen amid Social inventories of zinc ingots across seven major markets fell 4000 mt

Fed Chair Powell expressed that dialling-back of bond purchase could start as early as this year

Market sentiment was more dovish as tapering was not a signal for early interest rate hike, pulling up metals.

MCX NICKEL

Technical Chart



Open	High	Low	Close	Net Cng
721.00	728.80	705.50	723.35	4.35
OI	% OI	Volume	Trend	% Cng
4066.00	-1.31	8409.00	Positive	0.61

Fundamentals

Nickel yesterday settled up by 1.99% at 1444.3 as inventories of the industrial metals fell for a fourth straight week and downstream demand picked up. US FDA has approved the Pfizer's COVID-19 vaccine, which may lead to a rapid increase in the number of vaccinations in US, and the market pessimism has eased. The supply of NPI and nickel ore is expected to remain tight, but the prices of ferrochrome has dropped, and the stainless steel costs has been falling. Nickel briquette stocks decreased on the week as downstream purchase increased at lower prices, but the premiums of nickel briquette shrank. If the inventories continue to fall, the premiums may rise back to over 1,000 yuan/mt. The production of new energy vehicles is expected to be low due to the serious shortage of chips. On the data front, US personal expenditures in July decelerated while price index rose. Consumer Confidence Index was still sluggish approaching end of August. Inflation and the COVID-19 have both brought down market expectations for an early tapering decision. 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. Technically market is under short covering as market has witnessed drop in open interest by -4.03% to settled at 1547 while prices up 28.2 rupees, now Nickel is getting support at 1426 and below same could see a test of 1407.7 levels, and resistance is now likely to be seen at 1454.8, a move above could see prices testing 1465.3.

Trading Idea for the day

Nickel trading range for the day is 1407.7-1465.3.

Nickel gained as inventories of the industrial metals fell for a fourth straight week and downstream demand picked up.

US FDA has approved the Pfizer's COVID-19 vaccine, which may lead to a rapid increase in the number of vaccinations in US, and the market pessimism has eased. The supply of NPI and nickel ore is expected to remain tight, but the prices of ferrochrome has dropped, and the stainless steel costs has been falling.

MCX ALUMINIUM

Technical Chart



Open	High	Low	Close	Net Cng
245.90	246.95	245.10	246.30	1.10
OI	% OI	Volume	Trend	% Cng
1051.00	2.84	2287.00	Positive	0.45

Fundamentals

Aluminium yesterday settled up by 0.83% at 211.9 boosted by Chinese supply worries. Support also seen amid an upbeat sentiment after U.S. Federal Reserve Chairman Jerome Powell struck a more dovish tone in a long-awaited speech. A prefecture in China's Xinjiang region has imposed output limits on five aluminium smelters starting from August as part of efforts to stamp out illegal production. The move followed several aluminium output disruptions due to power curbs in China earlier this year. China's state planner, the National Development and Reform Commission, said on Friday it would encourage aluminium smelters in the country to increase their use of non-hydropower forms of renewable energy, such as wind and solar power, potentially disrupting a trend to move to hydropower-rich regions such as Yunnan. Powell's wait-and-see approach in his address on Friday gave investors and market participants some reassurance that the central bank's extraordinary efforts to prop up the economy were likely to support riskier assets a while longer. The National Reserve Bureau disclosed that the third batch of government reserves are scheduled to be released soon with an amount of 70000 mt, slightly lower than the previous round of 90000 mt. The news came out one month and 6 days after the second batch was announced. Technically market is under fresh buying as market has witnessed gain in open interest by 4.06% to settled at 1972 while prices up 1.75 rupees, now Aluminium is getting support at 210.5 and below same could see a test of 209 levels, and resistance is now likely to be seen at 214, a move above could see prices testing 216.

Trading Idea for the day

Aluminium trading range for the day is 209-216.

Aluminium prices rose boosted by Chinese supply worries.

Support also seen amid an upbeat sentiment after U.S. Federal Reserve Chairman Jerome Powell struck a more dovish tone in a long-awaited speech. A prefecture in China's Xinjiang region has imposed output limits on five aluminium smelters starting from August as part of efforts to stamp out illegal production



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