

Daily Commodity Analysis Report

Wednesday, September 1, 2021
Wednesday



COMMODITY MARKET

MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA
Gold	1 Kg	47120.00	-0.09	-0.21	-1.09	-6.17	-8.17	SELL	SELL	SELL
Silver	30 Kg	63366.00	-0.35	1.78	-5.12	-7.73	-3.74	SELL	SELL	SELL
\$Gold	100 Tr. Oz	1811.79	-0.09	0.83	-0.14	-5.39	-7.44	BUY	SELL	SELL
\$ Silver	5000 Tr. Oz	23.841	-0.15	2.50	-4.52	-10.38	-14.34	SELL	SELL	SELL
Crude	100 BBL	5026.00	-0.89	8.34	-5.37	43.64	37.34	SELL	BUY	BUY
Nat.Gas	1250 mmBtu	318.30	0.82	8.62	6.40	73.37	36.93	BUY	BUY	BUY
\$ Crude	1,000 Barrels	68.50	-1.03	9.24	-4.93	41.09	37.11	#N/A	#N/A	#N/A
\$ Nat. Gas	10000 mmBtu	4.38	1.67	8.62	6.40	73.37	36.93	BUY	BUY	BUY
Aluminium	5MT	212.85	0.45	2.19	4.99	48.96	30.77	BUY	BUY	BUY
Copper	2500Kg	720.95	-0.33	2.06	-6.14	20.18	27.11	SELL	SELL	BUY
Lead	5MT	179.95	0.17	-1.04	0.31	14.58	12.38	SELL	BUY	BUY
Nickel	1500Kg	1446.00	0.12	0.64	-3.75	16.44	20.19	SELL	BUY	BUY
Zinc	5MT	244.80	-0.61	-0.12	0.39	34.12	20.72	BUY	BUY	BUY
LME Alum	25 Tonnes	2714.50	0.3	3.88	6.51	34.21	33.11	BUY	BUY	BUY
LME Copp	25,000 Lbs.	9448.50	-0.91	3.30	-4.59	20.72	29.24	SELL	SELL	BUY
LME Lead	5 Tonnes	2260.50	0.11	2.04	-1.10	16.07	14.12	SELL	SELL	BUY
LME Nickel	250 Kg	19460.00	-0.71	2.56	-2.19	14.12	19.96	BUY	BUY	BUY
LME Zinc	5 Tonnes	2992.00	-0.4	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

5F, Vaibhav, 4 Lee Road, Kolkata – 700020, India

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Wednesday, September 1, 2021



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Currency Snapshot

Currency	Last	% Cng	
USDINR	73.17	-0.47	▼
EURINR	86.70	-0.09	▼
GBPINR	100.86	-0.27	▼
JPYINR	66.63	-0.49	▼
EURUSD	1.1801	-0.07	▼
GBPUSD	1.3732	-0.15	▼
USDJPY	110.23	0.23	▲
Dollar Index	92.76	0.11	▲

Indices Snapshot

Indices	Last	Change	
NIFTY	17132.20	1.19	▲
SENSEX	57552.39	1.16	▲
HANGSENG	25174.17	-1.43	▼
NIKKEI	27935.08	0.52	▲
STRAITS	3058.37	-1.41	▼
CAC 40	6665.92	-0.32	▼
DAX	15827.13	-0.38	▼
DJIA	35399.84	-0.16	▼
NASDAQ	15265.89	0.90	▲
JAKARTA	6125.76	-0.31	▼
KOSPI	3161.43	0.55	▲

LME Stock Snapshot

Commodity	Stock	Cng
LME Aluminium	1334675	-3450
LME Copper	253000	-1250
LME Lead	53000	-2450
LME Nickel	194466	-786
LME Zinc	237075	-1200

Economical Data

Time	Currency	Data	Fcst	Prev
11:30am	EUR	German Retail Sales m/m	-0.009	0.042
12:45pm	EUR	Spanish Manufacturing PMI	58.9	59
1:30pm	EUR	Final Manufacturing PMI	61.5	61.5
2:30pm	EUR	Unemployment Rate	0.076	0.077
All Day	All	OPEC Meetings		
5:30pm	EUR	German buba President werlmann speaks		
5:45pm	USD	ADP Non-Farm Employment Change	640K	330K
7:15pm	USD	Final Manufacturing PMI	61.2	61.2
7:30pm	USD	ISM Manufacturing PMI	58.5	59.5
7:30pm	USD	Construction Spending m/m	0.002	0.001

Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	47120.00	11461	1.71	Fresh Selling
Silver	63366.00	11257	7.81	Fresh Selling
Crude	5026.00	4018	-18.5	Long Liquidation
Nat.Gas	318.30	14192	-0.13	Short Covering
Aluminium	212.85	2111	7.05	Fresh Buying
Copper	720.95	4179	2.78	Fresh Selling
Lead	179.95	1322	-6.9	Short Covering
Nickel	1446.00	1597	3.23	Fresh Buying
Zinc	244.80	998	-5.04	Long Liquidation

Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	47120.00	47267.00	147.00	158.00	-11.00
Silver	63366.00	64269.00	903.00	946.00	-43.00
Crude	5026.00	5027.00	1.00	-2.00	3.00
Nat.Gas	318.30	322.80	4.50	4.60	-0.10
Aluminium	212.85	211.25	-1.60	-1.80	0.20
Copper	720.95	722.90	1.95	1.70	0.25
Lead	179.95	179.45	-0.50	0.50	-1.00
Nickel	1446.00	1440.60	-5.40	-6.80	1.40
Zinc	244.80	241.95	-2.85	-2.60	-0.25

Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	74.36	100.90	65.55	76.49
Gold / Crude Ratio	9.38	19.58	8.37	13.22
Gold / Copper Ratio	65.36	112.33	59.19	82.27
Silver / Crude Ratio	12.61	25.03	12.18	17.13
Silver / Copper Ratio	87.89	147.81	84.90	106.98
Zinc / Lead Ratio	136.04	141.74	111.81	131.33
Crude / Nat.Gas Ratio	15.79	25.87	10.60	19.65



Commodity Market Daily Trading Levels

Commodity	Close	Support 3	Support 2	Support 1	Pivot Point	Resist 1	Resist 2	Resist 3	Trend
Gold	47120.00	46264.00	46520.00	46820.00	47076.00	47376.00	47632.00	47932.00	Negative
Silver	63366.00	61744.00	62359.00	62863.00	63478.00	63982.00	64597.00	65101.00	Negative
\$ Gold	1813.79	1802.90	1806.10	1809.00	1812.20	1815.10	1818.30	1821.20	Negative
\$ Silver	23.89	23.80	23.80	23.90	23.90	24.00	24.00	24.10	Negative
Crude oil	5026.00	4887.00	4935.00	4981.00	5029.00	5075.00	5123.00	5169.00	Negative
Natural Gas	318.30	295.50	301.80	310.00	316.30	324.50	330.80	339.00	Positive
\$ Crude oil	68.50	67.56	67.94	68.22	68.60	68.88	69.26	69.54	Negative
\$ Natural Gas	4.3770	4.0537	4.1343	4.2557	4.3363	4.4577	4.5383	4.6597	Positive
Aluminium	212.85	208.70	209.90	211.40	212.60	214.10	215.30	216.80	Positive
Copper	720.95	707.40	711.50	716.30	720.40	725.20	729.30	734.10	Negative
Lead	179.95	173.80	175.30	177.70	179.20	181.60	183.10	185.50	Positive
Nickel	1446.00	1408.20	1422.00	1434.00	1447.80	1459.80	1473.60	1485.60	Positive
Zinc	244.80	242.50	243.30	244.00	244.80	245.50	246.30	247.00	Negative
LME Aluminium	2706.50	2637.33	2659.17	2682.83	2704.67	2728.33	2750.17	2773.83	Positive
LME Copper	9535.00	9338.00	9382.00	9458.50	9502.50	9579.00	9623.00	9699.50	Negative
LME Lead	2258.00	2190.33	2218.67	2238.33	2266.67	2286.33	2314.67	2334.33	Positive
LME Nickel	19600.00	19078.33	19266.67	19433.33	19621.67	19788.33	19976.67	20143.33	Positive
LME Zinc	3004.00	2953.00	2969.00	2986.50	3002.50	3020.00	3036.00	3053.50	Negative

Latest News Update

China's businesses and the broader economy came under increasing pressure last month as factory activity expanded at a slower pace while the services sector slumped into contraction, hurt by coronavirus-related restrictions and high raw material prices. The world's second-biggest economy staged an impressive recovery from a coronavirus-battered slump, but growth has recently shown signs of losing steam due to domestic COVID-19 outbreaks, slowing exports, tighter measures to tame hot property prices and a campaign to reduce carbon emissions. The official manufacturing Purchasing Manager's Index (PMI) was 50.1 in August from 50.4 in July, data from the National Bureau of Statistics (NBS) showed. While most of the weakness should reverse with relaxing COVID-19 restrictions, tight credit conditions and weakening foreign demand will continue to weigh on China's economy, he said. In a worrying sign for China's slow consumption recovery, a gauge of activity for the services sector in August slipped into sharp contraction for the first time since the height of the pandemic in February last year.

Japan's industrial output shrank in July as car production took a hit from a coronavirus resurgence in Asia that has cast doubt over the recovery in the world's third-largest economy. A spike in highly contagious Delta variant cases has forced governments in Asia to impose fresh lockdowns and curbs, which are causing disruptions in parts supply across the region, adding to a global chip shortage. Factory output dropped 1.5% in July from the previous month, official data showed, hit by a decline in the production of autos, including passenger cars and small buses. The fall offset growing output of production machinery items, such as those used for manufacturing semiconductors, and electronic parts and devices. That meant output fell back below pre-coronavirus pandemic levels again after surging 6.5% in the prior month, though it was stronger than a 2.5% drop forecast in a Reuters poll of economists. Manufacturers surveyed by the Ministry of Economy, Trade and Industry (METI) expected output to advance 3.4% in August and 1.0% in September.

MCX GOLD

Technical Chart



Open	High	Low	Close	Net Cng
47299.00	47332.00	46776.00	47120.00	-44.00
OI	% OI	Volume	Trend	% Cng
11461.00	1.71	6846.00	Negative	-0.09

Fundamentals

Gold yesterday settled down by -0.09% at 47120 as investors awaited August U.S. non-farm payrolls data due later this week. Further hopes for more policy support overshadowed economic risks from a surge in COVID-19 cases. Following dovish remarks from Federal Reserve chief Jerome Powell at the Jackson Hole symposium last week, the spotlight shifts to Friday's U.S. jobs report, which could shed more light on the Fed's tapering strategy. The market is expecting an increase of 728,000 jobs, unemployment to fall to 5.2% from 5.4%, and average hourly earnings to rise 0.4% month-on-month. 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. 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. Technically market is under fresh selling as market has witnessed gain in open interest by 1.71% to settled at 11461 while prices down -44 rupees, now Gold is getting support at 46820 and below same could see a test of 46520 levels, and resistance is now likely to be seen at 47376, a move above could see prices testing 47632.

Trading Idea for the day

Gold trading range for the day is 46520-47632.

Gold prices dropped as investors awaited August U.S. non-farm payrolls data due later this week.

Further hopes for more policy support overshadowed economic risks from a surge in COVID-19 cases.

The market is expecting an increase of 728,000 jobs, unemployment to fall to 5.2% from 5.4%, and average hourly earnings to rise 0.4% month-on-month.

MCX SILVER

Technical Chart



Open	High	Low	Close	Net Cng
63776.00	64093.00	62974.00	63366.00	-221.00
OI	% OI	Volume	Trend	% Cng
11257.00	7.81	13496.00	Negative	-0.35

Fundamentals

Silver yesterday settled down by -0.35% at 63366 as hopes for more policy support overshadowed economic risks from a surge in COVID-19 cases and concerns over China's regulatory clampdown on private industries. U.S. consumer confidence fell to a six-month low in August as concerns about soaring new COVID-19 infections as well as higher inflation dampened the outlook for the economy. The Conference Board said its consumer confidence index dropped to a reading of 113.8 this month, the lowest since February, from 125.1 in July. U.S. single-family home prices in 20 key urban markets rose in June from a year earlier at the fastest pace on record, a closely watched survey showed. The S&P CoreLogic Case-Shiller composite index of 20 metropolitan areas gained 19.1% through the 12 months ended in June from an upwardly revised 17.1% in the 12 months through May. Growth worries resurfaced after official data showed China's services sector contracted in August for the first time since the height of the pandemic early last year. China's factory activity also expanded at a slower pace in August as businesses and the broader economy came under increasing pressure due to domestic COVID-19 outbreaks, high raw material prices and slowing exports. Technically market is under fresh selling as market has witnessed gain in open interest by 7.81% to settled at 11257 while prices down -221 rupees, now Silver is getting support at 62863 and below same could see a test of 62359 levels, and resistance is now likely to be seen at 63982, a move above could see prices testing 64597.

Trading Idea for the day

Silver trading range for the day is 62359-64597.

Silver dropped as hopes for more policy support overshadowed economic risks from a surge in COVID-19 cases

U.S. consumer confidence fell to a six-month low in August as concerns about soaring new COVID-19 infections

U.S. single-family home prices in 20 key urban markets rose in June from a year earlier at the fastest pace on record

MCX CRUDEOIL

Technical Chart



Open	High	Low	Close	Net Cng
5067.00	5077.00	4983.00	5026.00	-45.00
OI	% OI	Volume	Trend	% Cng
4018.00	-18.50	49509.00	Negative	-0.89

Fundamentals

Crude oil yesterday settled down by -0.89% at 5026 as OPEC and allies geared up for a meeting on Wednesday amid calls from the United States to pump more crude. Prices were also under pressure from concerns that power outages and flooding in Louisiana after Hurricane Ida will cut crude demand from refineries. Crude was also weighed down by weaker manufacturing data from China, where factory activity expanded at a slower pace in August compared with the previous month. The Wednesday meeting will likely proceed with the plan without changes and despite pressure from the United States to pump more. Hurricane Ida, which made landfall in the United States on Sunday as a Category 4 hurricane, knocked out at least 94% of offshore Gulf of Mexico oil and gas production and caused "catastrophic" damage to Louisiana's grid. On the supply side, about 1.72 million bpd of oil production and 2.01 million cubic feet per day of natural gas output remained offline in the U.S. side of the Gulf of Mexico following evacuations at 288 platforms. Kazakhstan considers the measures taken by the global pact of OPEC and non-OPEC producers are sufficient to stabilise the crude oil market, Russia's TASS news agency quoted Kazakh energy minister Nurlan Nogayev as saying. Technically market is under long liquidation as market has witnessed drop in open interest by -18.5% to settled at 4018 while prices down -45 rupees, now Crude oil is getting support at 4981 and below same could see a test of 4935 levels, and resistance is now likely to be seen at 5075, a move above could see prices testing 5123.

Trading Idea for the day

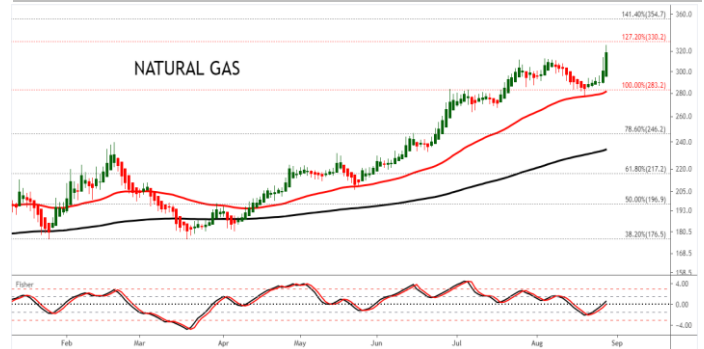
Crude oil trading range for the day is 4935-5123.

Crude oil slipped as OPEC and allies geared up for a meeting on Wednesday amid calls from the United States to pump more crude. Prices were also under pressure from concerns that power outages and flooding in Louisiana after Hurricane Ida will cut crude demand from refineries.

Kazakhstan says it considers existing OPEC+ decision as sufficient to stabilise market

MCX NATURALGAS

Technical Chart



Open	High	Low	Close	Net Cng
315.50	322.60	308.10	318.30	2.60
OI	% OI	Volume	Trend	% Cng
14192.00	-0.13	181919.00	Positive	0.82

Fundamentals

Nat.Gas yesterday settled up by 0.82% at 318.3 in response to lowered production forecasts as traders monitored Hurricane Ida's impact on demand. U.S. production is forecast to dip to 89.4 billion cubic feet per day (bcfd) this week from 92.5 bcfd last week. Data provider Refinitiv said total U.S. production has averaged 91.7 bcfd so far in August, versus 91.6 bcfd in July. That compares with an all-time monthly high of 95.4 bcfd in November 2019. With European and Asian gas both trading over \$16 per mmBtu, compared with just over \$4 for the U.S. fuel, analysts have said buyers around the world would keep purchasing all the liquefied natural gas (LNG) the United States can produce. With a cooler season around the corner, Refinitiv projected average U.S. gas demand, including exports, would slide from 94.3 bcfd last week to 92.2 bcfd this week, as power generators burn less of the fuel with air conditioning demand easing. U.S. natural gas prices in 2021 at the Henry Hub benchmark in Louisiana will likely rise to their highest since 2014 as governments ease lockdowns and demand rises faster than producers can restore output shut during the 2020 coronavirus-linked price drop. Technically market is under short covering as market has witnessed drop in open interest by -0.13% to settled at 14192 while prices up 2.6 rupees, now Natural gas is getting support at 310 and below same could see a test of 301.8 levels, and resistance is now likely to be seen at 324.5, a move above could see prices testing 330.8.

Trading Idea for the day

Natural gas trading range for the day is 301.8-330.8.

Natural gas rose in response to lowered production forecasts as traders monitored Hurricane Ida's impact on demand.

U.S. production is forecast to dip to 89.4 billion cubic feet per day (bcfd) this week from 92.5 bcfd last week.

Data provider Refinitiv said total U.S. production has averaged 91.7 bcfd so far in August, versus 91.6 bcfd in July.

MCX COPPER

Technical Chart



Open	High	Low	Close	Net Cng
720.00	724.50	715.60	720.95	-2.40
OI	% OI	Volume	Trend	% Cng
4179.00	2.78	12922.00	Negative	-0.33

Fundamentals

Copper yesterday settled down by -0.33% at 720.95 as China's businesses and the broader economy came under increasing pressure last month as factory activity expanded at a slower pace while the services sector slumped into contraction, hurt by coronavirus-related restrictions and high raw material prices. In China, the August manufacturing PMI stood at 50.1, and the official manufacturing and non-manufacturing PMI both fell to 18-month low amid off-season, spreading COVID-19 and floods. The world's second-biggest economy staged an impressive recovery from a coronavirus-battered slump, but growth has recently shown signs of losing steam due to domestic COVID-19 outbreaks, slowing exports, tighter measures to tame hot property prices and a campaign to reduce carbon emissions. The official manufacturing Purchasing Manager's Index (PMI) was 50.1 in August from 50.4 in July, data from the National Bureau of Statistics (NBS) showed. In a worrying sign for China's slow consumption recovery, a gauge of activity for the services sector in August slipped into sharp contraction for the first time since the height of the pandemic in February last year. U.S. consumer confidence fell to a six-month low in August as concerns about soaring new COVID-19 infections as well as higher inflation dampened the outlook for the economy. Technically market is under fresh selling as market has witnessed gain in open interest by 2.78% to settled at 4179 while prices down -2.4 rupees, now Copper is getting support at 716.3 and below same could see a test of 711.5 levels, and resistance is now likely to be seen at 725.2, a move above could see prices testing 729.3.

Trading Idea for the day

Copper trading range for the day is 711.5-729.3.

Copper prices dropped as China's economy under pressure as factory activity slows in Aug, services contract

In China, the August manufacturing PMI stood at 50.1, and the official manufacturing and non-manufacturing PMI both fell to 18-month low

U.S. consumer confidence fell to a six-month low in August

MCX ZINC

Technical Chart



Open	High	Low	Close	Net Cng
245.00	245.60	244.10	244.80	-1.50
OI	% OI	Volume	Trend	% Cng
998.00	-5.04	3015.00	Negative	-0.61

Fundamentals

Zinc yesterday settled down by -0.61% at 244.8 as China's official PMI for August was disappointing, indicating a potentially slowing economy growth in the future. Meanwhile, euro zone harmonized CPI for August stood above expectations, showing smooth economy recovery from the pandemic. While short supply still existed in the continent. Activity in China's services sector slipped into contraction in August, official data showed, as COVID-19 curbs weighed on consumption in the world's second-largest economy. The official non-manufacturing Purchasing Managers' Index (PMI) was 47.5 in August versus 53.3 in July, data from the National Bureau of Statistics (NBS) showed. The 50-point mark separates growth from contraction on a monthly basis. Though slower to recover from the pandemic than manufacturing, a gradual improvement in consumption in recent months had boosted the services sector. But a COVID-19 outbreak of the more infectious Delta strain led to strict containment measures, weighing on business activity and spending. The official August composite PMI, which includes both manufacturing and services activity, fell to 48.9 from July's 52.4. 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 long liquidation as market has witnessed drop in open interest by -5.04% to settled at 998 while prices down -1.5 rupees, now Zinc is getting support at 244 and below same could see a test of 243.3 levels, and resistance is now likely to be seen at 245.5, a move above could see prices testing 246.3.

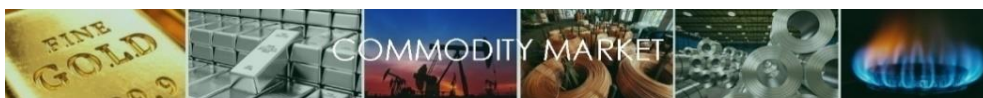
Trading Idea for the day

Zinc trading range for the day is 243.3-246.3.

Zinc prices dropped as China's official PMI for August was disappointing, indicating a potentially slowing economy growth in the future.

Meanwhile, euro zone harmonized CPI for August stood above expectations, showing smooth economy recovery from the pandemic.

Activity in China's services sector contracts in August - official PMI



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MCX NICKEL

Technical Chart



Open	High	Low	Close	Net Cng
720.00	724.50	715.60	720.95	-2.40

OI	% OI	Volume	Trend	% Cng
4179.00	2.78	12922.00	Negative	-0.33

Fundamentals

Nickel yesterday settled up by 0.12% at 1446 after prices hit a record 149,870 yuan a tonne and LME nickel advanced 3.3% to \$19,640 a tonne on low inventories. Nickel prices sustained its momentum with support from the cost front, strong demand from new energy sector, low inventory and rising stainless steel. Activity in China's services sector slipped into contraction in August, official data showed, as COVID-19 curbs weighed on consumption in the world's second-largest economy. The official non-manufacturing Purchasing Managers' Index (PMI) was 47.5 in August versus 53.3 in July, data from the National Bureau of Statistics (NBS) showed. On the macro front, former Chair of Richmond Fed warned that inflation may get out of control as Powell was trapped in "dilemma" on the issue. Bank of France Governor Villeroy indicated that the European Central Bank will not rush into winding down exceptional bond purchases, and nothing will be like what Powell said about tapering last Friday. In China, the August manufacturing PMI stood at 50.1, and the official manufacturing and non-manufacturing PMI both fell to 18-month low amid off-season, spreading COVID-19 and floods. Technically market is under fresh buying as market has witnessed gain in open interest by 3.23% to settled at 1597 while prices up 1.7 rupees, now Nickel is getting support at 1434 and below same could see a test of 1422 levels, and resistance is now likely to be seen at 1459.8, a move above could see prices testing 1473.6.

Trading Idea for the day

Nickel trading range for the day is 1422-1473.6.

Nickel prices steadied after prices hit a record 149,870 yuan a tonne and LME nickel advanced 3.3% to \$19,640 a tonne on low inventories. Nickel prices sustained its momentum with support from the cost front, strong demand from new energy sector, low inventory and rising stainless steel.

Activity in China's services sector slipped into contraction in August, official data showed.

MCX ALUMINIUM

Technical Chart



Open	High	Low	Close	Net Cng
245.00	245.60	244.10	244.80	-1.50

OI	% OI	Volume	Trend	% Cng
998.00	-5.04	3015.00	Negative	-0.61

Fundamentals

Aluminium yesterday settled up by 0.45% at 212.85 as output curbs in top producer China stoked concerns of tight supply. Aluminium prices have been supported by production curbs in key Chinese smelting regions often aimed at easing the strain on the power grid. A meeting in southern China's Guangxi region, an aluminium and alumina production hub, called for tougher controls on energy consumption, according to a statement on the regional government's website, sparking fears of more output cuts. Yunnan is a major aluminium hub in China and has seen some smelters forced to cut production due to power curbs this year. The China Nonferrous Metals Industry Association held a meeting of the country's top aluminium smelters to address what it described as an "irrational surge" in aluminium prices. The LME cash aluminium contract was trading at a premium of \$25.75 a tonne to the three-month contract, its biggest since July 2018, indicating tightening nearby supplies. One party controls 50%-80% of available aluminium stocks and short-term futures on the LME, exchange data showed. PMI China's factory activity expanded at a slower pace in August as coronavirus-related restrictions and high raw material prices pressure manufacturers in the world's second largest economy. The official manufacturing Purchasing Manager's Index (PMI) was 50.1 in August from 50.4 in July, data from the National Bureau of Statistics (NBS) showed. Technically market is under fresh buying as market has witnessed gain in open interest by 7.05% to settled at 2111 while prices up 0.95 rupees, now Aluminium is getting support at 211.4 and below same could see a test of 209.9 levels, and resistance is now likely to be seen at 214.1, a move above could see prices testing 215.3.

Trading Idea for the day

Aluminium trading range for the day is 209.9-215.3.

Aluminium prices remained supported as output curbs in top producer China stoked concerns of tight supply.

Aluminium prices have been supported by production curbs in key Chinese smelting regions often aimed at easing the strain on the power grid.

A meeting in southern China's Guangxi region, an aluminium and alumina production hub, called for tougher controls on energy consumption



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Sudipto Datta, Compliance Officer



SMIFS Limited

5F, Vaibhav, 4 Lee Road, Kolkata – 700020, India

Contact No.: +91 33 4011 5414 /91 33 6634 5414

Email Id.: compliance@smifs.com / sudipto@smifs.com

Website: www.smifs.com