

Daily Commodity Analysis Report

Thursday, September 9, 2021
Thursday



COMMODITY MARKET

MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA	
Gold	1 Kg	47038.00	0.21	-1.11	-1.80	-6.25	-7.92	SELL	SELL	SELL	
Silver	30 Kg	64183.00	-0.68	0.86	-5.89	-5.83	-4.35	SELL	SELL	SELL	
\$Gold	100 Tr. Oz	1788.94	0.02	-1.40	-1.00	-5.61	-7.75	SELL	SELL	SELL	
\$ Silver	5000 Tr. Oz	23.954	0.03	0.10	-6.19	-8.82	-10.69	SELL	SELL	SELL	
Crude	100 BBL	5095.00	1.64	1.17	-2.26	45.35	40.57	SELL	BUY	BUY	
Nat.Gas	1250 mmBtu	362.50	7.79	10.67	16.64	97.64	49.43	BUY	BUY	BUY	
\$ Crude	1,000 Barrels	69.30	1.39	0.89	-1.98	43.03	40.20	SELL	BUY	BUY	
\$ Nat. Gas	10000 mmBtu	4.91	7.57	10.67	16.64	97.64	49.43	BUY	BUY	BUY	
Aluminium	5MT	221.70	1.67	5.12	6.75	56.81	34.63	BUY	BUY	BUY	#
Copper	2500Kg	710.80	-0.07	-1.10	-3.59	19.58	27.58	SELL	SELL	BUY	#
Lead	5MT	185.20	0.65	4.58	4.47	20.01	17.94	BUY	BUY	BUY	#
Nickel	1500Kg	1488.70	1.19	5.12	1.51	23.12	25.63	BUY	BUY	BUY	#
Zinc	5MT	251.25	0.92	2.62	2.64	37.33	23.05	BUY	BUY	BUY	#
LME Alum	25 Tonnes	2826.00	1.25	5.03	7.37	41.10	36.45	BUY	BUY	BUY	#
LME Copp	25,000 Lbs.	9288.50	0.2	-1.46	-2.97	19.74	29.10	SELL	SELL	BUY	#
LME Lead	5 Tonnes	2281.00	0.42	-0.42	-5.09	14.51	14.78	SELL	SELL	SELL	#
LME Nickel	250 Kg	19860.00	0.94	3.65	1.62	19.04	23.60	BUY	BUY	BUY	#
LME Zinc	5 Tonnes	3059.00	0.21	2.27	2.62	11.20	18.50	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

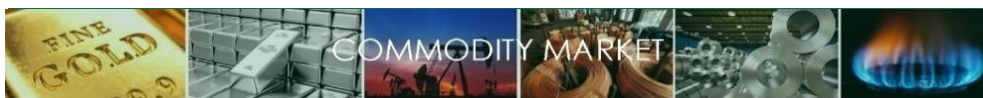
* Domestic Rates are as per closing basis and International rates are as per 8.30am

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Thursday, September 9, 2021



**SMIFS
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Currency Snapshot

Currency	Last	% Cng	
USDINR	73.68	0.17	▲
EURINR	87.13	-0.25	▼
GBPINR	101.51	0.01	■
JPYINR	66.86	-0.08	▼
EURUSD	1.1824	0.05	■
GBPUSD	1.3771	0.00	■
USDJPY	110.14	-0.10	▼
Dollar Index	92.66	-0.05	▼

Indices Snapshot

Indices	Last	Change	
NIFTY	17353.50	-0.05	▼
SENSEX	58250.26	-0.05	▼
HANGSENG	26320.93	-0.12	▼
NIKKEI	30181.21	0.89	▲
STRAITS	3068.94	-1.27	▼
CAC 40	6676.84	-0.73	▼
DAX	15642.09	-1.27	▼
DJIA	35100.00	-0.76	▼
NASDAQ	15374.33	0.07	■
JAKARTA	6055.86	-0.93	▼
KOSPI	3162.99	-0.77	▼

LME Stock Snapshot

Commodity	Stock	Cng
LME Aluminium	1334225	600
LME Copper	237700	-4850
LME Lead	52375	-100
LME Nickel	183678	-1482
LME Zinc	231400	-1700

Economical Data

Time	Currency	Data	Fcst	Prev
12:30am	USD	Consumer Credit m/m	24.5B	37.7B
11:30am	EUR	German Trade Balance	13.3B	13.6B
5:15pm	EUR	Monetary Policy Statement		
5:15pm	EUR	Main Refinancing Rate		
6:00pm	EUR	ECB Press Conference		
6:00pm	USD	Unemployment Claims	343K	340K
8:00pm	USD	Natural Gas Storage	38B	20B
8:30pm	USD	Crude Oil Inventories	-5.9M	-7.2M
8:35pm	USD	FOMC Member Daly Speaks		
8:35pm	USD	FOMC Member Evans Speaks		

Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	47038.00	10087	-4.44	Short Covering
Silver	64183.00	9968	15.49	Fresh Selling
Crude	5095.00	5310	11.91	Fresh Buying
Nat. Gas	362.50	13778	3.28	Fresh Buying
Aluminium	221.70	2755	2.61	Fresh Buying
Copper	710.80	4478	0.04	Fresh Selling
Lead	185.20	1579	-2.83	Short Covering
Nickel	1488.70	2019	11.18	Fresh Buying
Zinc	251.25	1314	12.89	Fresh Buying

Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	47038.00	47207.00	169.00	181.00	-12.00
Silver	64183.00	64999.00	816.00	807.00	9.00
Crude	5095.00	5099.00	4.00	4.00	0.00
Nat. Gas	362.50	366.60	4.10	4.30	-0.20
Aluminium	221.70	220.20	-1.50	-1.50	0.00
Copper	710.80	711.40	0.60	1.30	-0.70
Lead	185.20	183.20	-2.00	-1.40	-0.60
Nickel	1488.70	1475.20	-13.50	-14.20	0.70
Zinc	251.25	248.70	-2.55	-2.50	-0.05

Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	73.29	100.90	65.55	76.47
Gold / Crude Ratio	9.23	19.58	8.37	13.19
Gold / Copper Ratio	66.18	112.33	59.19	82.16
Silver / Crude Ratio	12.60	25.03	12.18	17.10
Silver / Copper Ratio	90.30	147.81	84.90	106.86
Zinc / Lead Ratio	135.66	141.74	111.81	131.35
Crude / Nat. Gas Ratio	14.06	25.87	10.60	19.61

Commodity Market Daily Trading Levels

Commodity	Close	Support 3	Support 2	Support 1	Pivot Point	Resist 1	Resist 2	Resist 3	Trend
Gold	47038.00	46422.00	46586.00	46812.00	46976.00	47202.00	47366.00	47592.00	Positive
Silver	64183.00	62759.00	63336.00	63760.00	64337.00	64761.00	65338.00	65762.00	Negative
\$ Gold	1789.04	1782.70	1784.70	1786.90	1788.90	1791.10	1793.10	1795.30	Positive
\$ Silver	23.93	23.70	23.80	23.80	23.90	23.90	24.00	24.00	Negative
Crude oil	5095.00	4919.00	4971.00	5033.00	5085.00	5147.00	5199.00	5261.00	Positive
Natural Gas	362.50	311.80	324.90	343.70	356.80	375.60	388.70	407.50	Positive
\$ Crude oil	69.30	68.75	68.87	69.08	69.20	69.41	69.53	69.74	Positive
\$ Natural Gas	4.9140	4.2377	4.4113	4.6627	4.8363	5.0877	5.2613	5.5127	Positive
Aluminium	221.70	216.60	217.80	219.80	221.00	223.00	224.20	226.20	Positive
Copper	710.80	695.50	700.00	705.40	709.90	715.30	719.80	725.20	Negative
Lead	185.20	181.80	182.70	184.00	184.90	186.20	187.10	188.40	Positive
Nickel	1488.70	1457.80	1466.50	1477.60	1486.30	1497.40	1506.10	1517.20	Positive
Zinc	251.25	244.70	246.80	249.10	251.20	253.50	255.60	257.90	Positive
LME Aluminium	2791.00	2710.67	2734.33	2762.67	2786.33	2814.67	2838.33	2866.67	Positive
LME Copper	9269.50	9011.67	9109.83	9189.67	9287.83	9367.67	9465.83	9545.67	Negative
LME Lead	2271.50	2237.33	2251.17	2261.33	2275.17	2285.33	2299.17	2309.33	Positive
LME Nickel	19675.00	19186.67	19348.33	19511.67	19673.33	19836.67	19998.33	20161.67	Positive
LME Zinc	3052.50	2969.33	3000.17	3026.33	3057.17	3083.33	3114.17	3140.33	Positive

Latest News Update

Japan's economy grew an annualised clip of 1.9% in the second quarter, better than the initial estimate of a 1.3% gain, revised government data showed, confirming a gradual recovery from the COVID-induced slump. The revised figure for gross domestic product (GDP) released by the Cabinet Office compared with forecast for a 1.6% annualised growth. On a quarter-on-quarter basis GDP expanded 0.5% in the April-June quarter, also better than the initial reading of 0.3% and compared with a median forecast for a 0.4% rise. It followed Prime Minister Yoshihide Suga's announcement last Friday that he was stepping down, paving the way for the Sept. 29 ruling party leadership race, in which contenders will outline their plans to revive the world's third-largest economy. The upward revision was caused by better-than-initially-estimated business spending, as a brisk global economic recovery powered capital expenditure and factory output, which more than offset weak service-sector activity. However, global chip shortages may put a drag on Japanese car production and shipments while signs of China's economic slowdown emerge as sources of concern.

China will maintain prudent monetary policy and not resort to flood-like stimulus, said Pan Gongsheng, vice governor of the People's Bank of China (PBOC). But he also told a news conference that the space for monetary policy is still relatively big. Signs that China's economy is losing steam and small firms are struggling have stoked market expectations of policy support sooner rather than later. The PBOC last delivered a cut to banks' reserve requirement ratio (RRR) in mid-July. Speaking at the same event, Sun Guofeng, head of the monetary policy department at the PBOC, said there is no big shortfall of base money, and liquidity supply and demand will remain basically balanced in coming months. Customs data showed Chinese exports unexpectedly grew at a faster pace in August thanks to solid global demand, helping to take some of the pressure off the world's No.2 economy.

MCX GOLD

Technical Chart



Open	High	Low	Close	Net Cng
46961.00	47140.00	46750.00	47038.00	99.00
OI	% OI	Volume	Trend	% Cng
10087.00	-4.44	5815.00	Positive	0.21

Fundamentals

Gold yesterday settled up by 0.21% at 47038 amid deepening concerns about global economic growth. Worries about a Delta variant-driven slowdown in economic growth have shaken equities this week, but flows into gold have been limited by firmer bond yields. Following the disappointing U.S. non-farm payrolls last week, precious metal traders will focus on NY Fed President John Williams' speech for clues on whether the Fed could shift the messaging on its tapering countdown away from this year. Focus now shifts to the European Central Bank's meeting, where it is likely to debate winding back stimulus measures as the euro zone economy roars back to life. India's gold imports in August nearly doubled from a year ago to their highest level in five months on an improvement in demand and as a correction in prices prompted jewellers to ramp up purchases for the festive season. India imported 121 tonnes of gold in August, compared to 63 tonnes a year earlier. In value terms, August imports surged to \$6.7 billion from \$3.7 billion a year ago. The Perth Mint's sales of gold products in August fell about 24% to their lowest level since June 2020. Technically market is under short covering as market has witnessed drop in open interest by -4.44% to settled at 10087 while prices up 99 rupees, now Gold is getting support at 46812 and below same could see a test of 46586 levels, and resistance is now likely to be seen at 47202, a move above could see prices testing 47366.

Trading Idea for the day

Gold trading range for the day is 46586-47366.

Gold prices remained supported amid deepening concerns about global economic growth.

Worries about a Delta variant-driven slowdown in economic growth have shaken equities this week.

Traders will focus on NY Fed President Williams' speech for clues on whether the Fed could shift the messaging on its tapering countdown away from this year.

MCX SILVER

Technical Chart



Open	High	Low	Close	Net Cng
64621.00	64914.00	63913.00	64183.00	-438.00
OI	% OI	Volume	Trend	% Cng
9968.00	15.49	9873.00	Negative	-0.68

Fundamentals

Silver yesterday settled down by -0.68% at 64183 as U.S. Treasury yields held near the upper end of their recent range and as the euro weakened a day ahead of a European Central Bank policy decision. The likelihood of a slowing reopening of the economy along with reduced policy support from the Federal Reserve and the European Central Bank added to worries. St. Louis Federal Reserve Bank President James Bullard said that the central bank should proceed with a plan to wind down stimulus measures this year and end by the first half of next year. Bullard said that there is enough demand for workers and more job openings, which could pave the way for a strong labor market next year. U.S. job openings raced to a new record high in July, suggesting that last month's sharp slowdown in hiring was due to employers being unable to find workers rather than weak demand for labor. Job openings, a measure of labor demand, jumped 749,000 to 10.9 million on the last day of July, the highest level since the series began in December 2000, the Labor Department said in its monthly Job Openings and Labor Turnover Survey, or JOLTS report. Investors now look ahead to Thursday's European Central Bank meeting that will see policymakers debate a cut in its stimulus. Technically market is under fresh selling as market has witnessed gain in open interest by 15.49% to settled at 9968 while prices down -438 rupees, now Silver is getting support at 63760 and below same could see a test of 63336 levels, and resistance is now likely to be seen at 64761, a move above could see prices testing 65338.

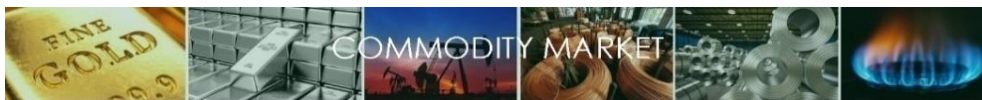
Trading Idea for the day

Silver trading range for the day is 63336-65338.

Silver dropped as U.S. Treasury yields held near the upper end of their recent range and as the euro weakened a day ahead of ECB policy decision.

Fed's Bullard said that the central bank should proceed with a plan to wind down stimulus measures this year and end by the first half of next year.

U.S. job openings raced to a new record high in July



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MCX CRUDEOIL

Technical Chart



Open	High	Low	Close	Net Cng
5023.00	5137.00	5023.00	5095.00	82.00
OI	% OI	Volume	Trend	% Cng
5310.00	11.91	51895.00	Positive	1.64

Fundamentals

Crude oil yesterday settled up by 1.64% at 5095 with producers in the U.S. Gulf of Mexico struggling to restart operations nine days after Hurricane Ida swept through. About 79% of U.S. Gulf production remained offline, with 79 production platforms still unoccupied more than a week after Hurricane Ida made landfall. About 17.5 million barrels of oil has been lost to the market so far. Oil prices were also boosted by reports suggesting that there are pockets of robust demand emerging in some regions including Europe. Saudi Arabia's sharp cuts in crude contract prices for Asia sparked fears over slower demand, but data showing a strong rebound in China's imports and exports capped losses. China's daily crude oil imports rose 8% in August from a month earlier, customs data showed, as refiners resumed purchases following the issue of new import quotas. China, the world's top crude oil buyer, brought in 44.53 million tonnes of oil last month, equivalent to 10.49 million barrels per day (bpd), according to data from the General Administration of Customs. Crude imports for the first eight months of 2021 reached 346.36 million tonnes, about 10.4 million bpd, down 5.7% from the same period last year. The supply disruptions in the U.S. in the aftermath of Hurricane Ida also helped limit the downside to some extent. Technically market is under fresh buying as market has witnessed gain in open interest by 11.91% to settled at 5310 while prices up 82 rupees, now Crude oil is getting support at 5033 and below same could see a test of 4971 levels, and resistance is now likely to be seen at 5147, a move above could see prices testing 5199.

Trading Idea for the day

Crude oil trading range for the day is 4971-5199.

Crude oil prices rose with producers in the U.S. Gulf of Mexico struggling to restart operations nine days after Hurricane Ida swept through.

About 79% of U.S. Gulf production remained offline, with 79 production platforms still unoccupied more than a week after Hurricane Ida made landfall.

Oil prices were also boosted by reports suggesting that there are pockets of robust demand emerging in some regions including Europe.

MCX NATURALGAS

Technical Chart



Open	High	Low	Close	Net Cng
338.00	369.90	338.00	362.50	26.20
OI	% OI	Volume	Trend	% Cng
13778.00	3.28	172105.00	Positive	7.79

Fundamentals

Nat.Gas yesterday settled up by 7.79% at 362.5 driven by a bullish mix of expectations for higher demand due to warmer weather projections and sustained outages due to storm Ida while also tracking a rally in global gas prices. A slow return to production post Ida in the Gulf of Mexico was also driving the price rally. Temperatures over the next two weeks are estimated to be warmer than usual for this time of year with 150 cooling degree days (CDDs) projected compared with a 30-year average of 122 CDDs for the period. This is also higher than the 10-year normal and the same time last year. CDDs, used to estimate demand to cool homes and businesses, measure the number of degrees a day's average temperature is above 65 degrees Fahrenheit (18 degrees Celsius). Goldman Sachs also said in a note that recent tighter-than-consensus storage injections added to existing winter storage concerns and further increased the winter risk premium priced in the market. The bank raised its price forecasts for summer and winter 2022 and winter 2023 by \$0.15. U.S. pipeline exports to Mexico rose to an average 5.9 bcf so far this month, from 6.2 bcf in August, but were slightly lower than June's monthly record of 6.7 bcf. Technically market is under fresh buying as market has witnessed gain in open interest by 3.28% to settled at 13778 while prices up 26.2 rupees, now Natural gas is getting support at 343.7 and below same could see a test of 324.9 levels, and resistance is now likely to be seen at 375.6, a move above could see prices testing 388.7.

Trading Idea for the day

Natural gas trading range for the day is 324.9-388.7.

Natural gas jumped driven by an expectations for higher demand due to warmer weather projections.

A slow return to production post Ida in the Gulf of Mexico was also driving the price rally.

U.S. Gulf Coast energy companies have advanced efforts to restart facilities, but larger hurdles remain for producers and refiners.

MCX COPPER

Technical Chart



Open	High	Low	Close	Net Cng
712.00	714.40	704.50	710.80	-0.50
OI	% OI	Volume	Trend	% Cng
4478.00	0.04	11796.00	Negative	-0.07

Fundamentals

Copper yesterday settled down by -0.07% at 710.8 as investors exercised caution ahead of a key central bank meeting in Europe that could offer more clues on its tapering decision. LME cash copper was at its biggest discount in three weeks of \$19.60 a tonne compared with the three-month contract, suggesting easing tightness of nearby supplies. Global copper smelting activity was subdued in August as plants mainly extended maintenance shutdowns, while flooding and power restrictions also had an impact, data from satellite surveillance showed. China's copper imports fell in August, customs data showed, notching a fifth straight monthly decline as high prices for the metal and sluggish economic growth continue to keep a lid on demand. Arrivals of unwrought copper and products into China, the world's top copper consumer, were 394,017 tonnes last month, the General Administration of Customs said. That was down 7% from July and down 41% year-on-year. Chilean copper exports climbed 40.5% in value in August versus the same month the previous year amid soaring global prices for the red metal, the central bank said. Total exports of copper hit \$4.383 billion in August, while overall exports rose 35.4% year-on-year to \$7.822 billion. Technically market is under fresh selling as market has witnessed gain in open interest by 0.04% to settled at 4478 while prices down -0.5 rupees, now Copper is getting support at 705.4 and below same could see a test of 700 levels, and resistance is now likely to be seen at 715.3, a move above could see prices testing 719.8.

Trading Idea for the day

Copper trading range for the day is 700-719.8.

Copper prices seen under pressure as investors exercised caution ahead of a key central bank meeting in Europe that could offer more clues on its tapering decision.

LME cash copper was at its biggest discount in three weeks of \$19.60 a tonne compared with the three-month contract, suggesting easing tightness of nearby supplies.

Chile copper exports soar 40.5% in August

MCX ZINC

Technical Chart



Open	High	Low	Close	Net Cng
248.90	253.35	248.90	251.25	2.30
OI	% OI	Volume	Trend	% Cng
1314.00	12.89	3564.00	Positive	0.92

Fundamentals

Zinc yesterday settled up by 0.92% at 251.25 as domestic zinc output stood at 508900 mt in August 2021, down 1.22% or 6300 mt on the month and 0.04% on the year. Cumulative output in January-August totalled 4.042 million mt, a year-on-year increase of 4.47%. Alloy output at domestic zinc smelters was 75,500 mt in August, up 80 mt on the month. The actual decrease in domestic zinc output in the month was less than expected. The main reason was that the decline in output as a result of power restrictions in Guangxi and Yunnan has fell short of expectations. Inventories in Shanghai and London both fell, and the market kept an eye on the seasonal high in September and October. On the macro front, China released its trade data for August, higher than the previous value and estimate, maintaining its growth since April, 2020, which is basically in line with market expectation. The seasonally-adjusted economic readings for major countries in Eurozone were also in line with estimate. Production costs of die-casting alloy enterprises continued to climb due to rising raw material prices, creating great pressures to daily production and operation. As such, zinc die-casting alloy enterprises have started to consider lifting processing fees. China social inventories continued to fall, supporting long sentiment. Technically market is under fresh buying as market has witnessed gain in open interest by 12.89% to settled at 1314 while prices up 2.3 rupees, now Zinc is getting support at 249.1 and below same could see a test of 246.8 levels, and resistance is now likely to be seen at 253.5, a move above could see prices testing 255.6.

Trading Idea for the day

Zinc trading range for the day is 246.8-255.6.

Zinc prices gained as domestic zinc output stood at 508900 mt in August 2021, down 1.22% or 6300 mt on the month

The actual decrease in domestic zinc output in the month was less than expected.

Inventories in Shanghai and London both fell, and the market kept an eye on the seasonal high in September and October.

MCX NICKEL

Technical Chart



Open	High	Low	Close	Net Cng
712.00	714.40	704.50	710.80	-0.50
OI	% OI	Volume	Trend	% Cng
4478.00	0.04	11796.00	Negative	-0.07

Fundamentals

Nickel yesterday settled up by 1.19% at 1488.7 as supply remained tight on the back of high prices of nickel ore and ferronickel, potentially pushing up prices. Nickel ore inventory at Chinese ports fell 199,000 wmt from a week earlier to 5.88 million wmt. Total Ni content stood at 46,200 wmt, according to data. Total inventory at seven major ports stood at around 3.3 million wmt, a decline of 379,000 wmt from a week earlier. Affected by the pandemic, cargoes were stranded at ports for a longer period. And this slowed growth in port inventory. The current port inventory level remains low, which is basically the same as that of March. China will maintain prudent monetary policy and not resort to flood-like stimulus, said Pan Gongsheng, vice governor of the People's Bank of China (PBOC). But he also told a news conference that the space for monetary policy is still relatively big. Signs that China's economy is losing steam and small firms are struggling have stoked market expectations of policy support sooner rather than later. The PBOC last delivered a cut to banks' reserve requirement ratio (RRR) in mid-July. Technically market is under fresh buying as market has witnessed gain in open interest by 11.18% to settled at 2019 while prices up 17.5 rupees, now Nickel is getting support at 1477.6 and below same could see a test of 1466.5 levels, and resistance is now likely to be seen at 1497.4, a move above could see prices testing 1506.1.

Trading Idea for the day

Nickel trading range for the day is 1466.5-1506.1.

Nickel prices gained as supply remained tight on the back of high prices of nickel ore and ferronickel, potentially pushing up prices.

Nickel ore inventory at Chinese ports fell 199,000 wmt from a week earlier to 5.88 million wmt.

China will maintain prudent monetary policy, says central bank official

MCX ALUMINIUM

Technical Chart



Open	High	Low	Close	Net Cng
248.90	253.35	248.90	251.25	2.30
OI	% OI	Volume	Trend	% Cng
1314.00	12.89	3564.00	Positive	0.92

Fundamentals

Aluminium yesterday settled up by 1.67% at 221.7 on supply concerns triggered by power curtailment in many parts of China. Prices also rose on the back of turmoil in Guinea and concerns over supply in Guangxi and Inner Mongolia. Xinjiang is strictly controlling aluminium capacity in operation, while Guangxi has tightened power curtailment, intensifying concerns about the future aluminium supply. The recovery of aluminium consumption will be relatively slow due to high aluminium prices, slowing down the decline in social inventory. China will maintain prudent monetary policy and not resort to flood-like stimulus, said Pan Gongsheng, vice governor of the People's Bank of China (PBOC). But he also told a news conference that the space for monetary policy is still relatively big. Signs that China's economy is losing steam and small firms are struggling have stoked market expectations of policy support sooner rather than later. The PBOC last delivered a cut to banks' reserve requirement ratio (RRR) in mid-July. Speaking at the same event, Sun Guofeng, head of the monetary policy department at the PBOC, said there is no big shortfall of base money, and liquidity supply and demand will remain basically balanced in coming months. Technically market is under fresh buying as market has witnessed gain in open interest by 2.61% to settled at 2755 while prices up 3.65 rupees, now Aluminium is getting support at 219.8 and below same could see a test of 217.8 levels, and resistance is now likely to be seen at 223, a move above could see prices testing 224.2.

Trading Idea for the day

Aluminium trading range for the day is 217.8-224.2.

Aluminium prices rose on supply concerns triggered by power curtailment in many parts of China.

Prices also rose on the back of turmoil in Guinea and concerns over supply in Guangxi and Inner Mongolia

The recovery of aluminium consumption will be relatively slow due to high aluminium prices, slowing down the decline in social inventory.



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