

COMMODITY

Morning Roundup

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Bullion Update

GOLD

The dollar was mostly higher, so gold prices consolidated. While the dollar was unable to gain ground against the Euro, it did break out against the yen, which helped to weigh on gold. The US bond market was closed for a partial holiday on Monday, so yields remained unchanged. Equities traded in tandem with commodities. The yellow metal's sideways price action is most likely a result of market uncertainty about the Federal Reserve's policy direction. The mixed jobs report released on Friday, which showed a softer-than-expected increase in the number of jobs created combined with higher-than-expected wage growth, has resulted in sideways price action.

MCX Gold is trading near 47036, Support is seen at 46700 - 46170, while resistance seen at 47500.

SILVER

Silver prices fell as the dollar rose, while yields remained unchanged. For the Columbus Day holiday, the bond market in the United States was closed. Gold prices fell as well. The dollar gained traction against the yen but failed to gain traction against the euro. Following the release of the US jobs report, market participants are unsure of the next step, but with the Fed expected to taper in November, higher yields and a stronger dollar are likely. Silver prices fell slightly as the dollar rose. At 23.49, resistance is seen near the 50-day moving average. At 22.45, support is seen near the 10-year moving average.

MCX Silver is trading near 61700 Support seen at 60700 - 59400, While resistance seen at 62400.

Energy Update

Crude Oil

The West Texas Intermediate Crude Oil market has clearly surpassed the \$80 level, and it now appears that the market will continue to rise. That being said, we have given back a significant portion of our gains, and we may have to work a little harder to continue the upward trend. I don't necessarily believe that this is a market that will go parabolic in the short term, but rather that we are simply blowing through a lot of stop losses. At this point, I believe any dip will be viewed as a potential buying opportunity in a market with numerous fundamental reasons to rally. I believe that the \$80 level will be supportive, as well as the \$75 level.

MCX Crude Oil is trading near 6100, Support seen at 5970 while resistance is 6220.

Natural Gas

Natural gas prices fell 3.8 percent on Monday, following the fall in UK natural gas prices. For the next 8-14 days, the weather is expected to be warmer than normal across the majority of the United States. According to the National Oceanic and Atmospheric Administration, there are two storms in the Atlantic near the Caribbean that have a small chance of becoming tropical cyclones in the next 48 hours. Natural gas prices fell sharply, but appeared to find some support near an upward sloping trend line near 5.29.

MCX Natural Gas is trading near at 406, support seen at 397 - 390 while resistance is at 420 - 427.

Crude Palm Oil

The combined volume of palm oil imports to Uzbekistan and Kazakhstan is under 10,000 MT. Simultaneously, the import of special fats is rapidly increasing. Russia is taking the lead due to logistical advantages, but Malaysian importers have a good chance of beating the competition in these new markets. Over the last three years, Russia's palm oil exports to Kazakhstan have steadily declined, from 32,000 MT in 2018 to 8,000 MT in 2020. Uzbekistan was not a major importer of Russian palm oil at the time, and as shown in the table below, Kazakhstan dominated Russian palm oil imports.

MCX OCT CPO is trading near 1160, support seen at 1147 - 1132, while resistance is 1180.

BASE METAL UPDATE

COPPER

Below \$9400, LME Copper could see sideways to marginally downward momentum up to \$9215-\$9100 levels. The level of resistance is \$9440-\$9520.

If the MCX Copper October contract falls from 745, it could fall as low as 737 - 730. The resistance level is 747.

NICKEL

In the coming session, LME Nickel could trade in a range of \$18900-\$19300. The MCX Nickel October contract may find resistance at 1510-1523 levels. The level of support is 1480-1460.

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