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Prime Brokerage

Commodity Morning Update.

YOUR DAILY MARKET BRIEFING



Gold Insight



Gold News

- Gold prices traded largely steady in Asian hours on Wednesday as investors remained cautious ahead of key U.S. economic data releases and next week's Federal Reserve policy meeting, where a rate cut is widely anticipated. Recent softening in U.S. macro indicators has strengthened expectations that the Fed may begin easing monetary policy, reinforcing medium-term support for bullion. Market participants are closely watching the ADP National Employment Report for November due later today and the delayed September Personal Consumption Expenditures (PCE) Price Index scheduled for Friday — both critical inputs for the Fed's inflation and labor market assessment. While near-term price action remained range-bound, underlying sentiment for gold continues to stay constructive amid rising rate-cut optimism and lingering global uncertainties.

Technical Overview

- **GOLD :** Technically, Gold prices are remained up yesterday and sustaining above the break-out level on the daily chart. The prices have formed a rounding bottom price pattern on the daily chart signaling bullish trend. The MACD is positive and the RSI is at 70 indicating an uptrend for today's session. Gold has support at 129000 and resistance at 132500.

Silver Insight



Silver News

- Silver prices also remained steady, mirroring gold's muted movement as traders awaited key U.S. macro data and clarity from the upcoming Federal Reserve meeting. Expectations of a potential rate cut have helped stabilize silver, despite near-term hesitation ahead of crucial employment and inflation indicators. In addition to its safe-haven appeal, silver continues to draw structural support from its industrial demand profile, particularly from electronics, solar energy, and manufacturing sectors. However, with major event risk approaching, traders largely remained on the sidelines, keeping silver confined to a narrow consolidation range while maintaining a broadly positive bias.

Technical Overview

- **SILVER:** Technically, silver prices are gained slightly and traded in a narrow range yesterday. Silver prices have given a break-out from a cup and handle price pattern on the daily chart. The RSI is at 80 levels and MACD is positive signaling a bullish trend for today's session. Silver has support at 175,000 and resistance at 186,000.

Crude Oil Insight



Crude oil News

- Crude oil prices surged more than 1% on Wednesday after Russia confirmed that talks with U.S. officials in Moscow failed to achieve any breakthrough on a potential Ukraine peace deal. The collapse of these discussions dampened hopes that sanctions on Russia's oil sector could be eased anytime soon, reviving concerns over continued supply constraints. This geopolitical setback added a fresh risk premium to oil prices, pushing them higher despite broader concerns around global demand growth. With diplomatic uncertainty back in focus, energy markets remain highly sensitive to further developments on the Russia-Ukraine front.

Technical Overview

- **CRUDE OIL**: Technically, crude oil prices are remained volatile after giving a break-out from the downwards channels. The buying momentums are increasing and prices are trading slightly above the 50-day SMA. While, MACD has given a positive crossover and RSI is at 54 level indicating a mild uptrend for today's session. Crude oil has resistance at 5500 and support at 5250.

Natural Gas Insight



Natural gas News

- Natural gas markets remained volatile as updated weather forecasts for December 7–15 continued to show high uncertainty. According to NatGasWeather, it remains unclear how much cold air from southern Canada will penetrate into the northern United States. While the broader trend still suggests the intrusion of some subfreezing temperatures, the intensity and duration of the cold remain uncertain and require close monitoring. This ambiguity has kept traders cautious, as even small shifts in weather models can have an outsized impact on heating demand expectations and price direction during the winter season.

Technical Overview

- **NATURAL GAS** : Technically, natural gas prices are gained after forming dogi candles at the recent highs. The prices have given a break-out from a short-term consolidation phase on the weekly chart. While, the MACD has given a positive crossover and the RSI is at 74 indicating an uptrend for today's session. Natural gas has resistance at 470 and support at 435.

Base Metal Insight



Base Metal News

- US ADP employment in November unexpectedly fell by 32,000, the lowest level since March 2023, far below market expectations for an increase. Combined with Treasury Secretary Yellen's comments on interest rate cuts, this put pressure on the US dollar, supporting copper prices. Meanwhile, Glencore's downward revision of its near-to-medium-term copper production expectations intensified market concerns about short-term supply tightness, further bolstering copper prices. On the fundamentals side, supply remains tight, with scarce availability of high-quality copper, and even standard-grade copper circulation appears constrained. On the demand side, rapid copper price increases have dampened purchasing sentiment, making downstream buyers more cautious. Overall, macro and supply-side positives provide significant support for copper prices, but the inhibitory effect of high prices on demand is gradually becoming apparent.

Technical Overview

- **Copper:** December futures copper prices are gained after forming a bullish Harami candle pattern on the daily chart. The prices have been given a break-out from a triangle price pattern with an increase in the daily volume. Copper prices are sustaining above 50, 100 and 200-day SMA, while momentum indicators are positive signaling an uptrend for today's session. Copper has resistance at 1080 and support at 1040.

- **Zinc:** December futures zinc prices are gained after forming a Hammer candle on the weekly chart. Zinc prices are trading in an uptrend and are sustaining above the upper trend line of an upwards price channel. However, the MACD is oscillating sideways and RSI is at 60 indicating a sideways trend for today's session. Zinc has support at 300 and resistance at 311.

- **Aluminium:** December futures aluminum prices are gained after forming a Hammer candle followed a bullish candle on the weekly chart. The prices have formed a rounding bottom price pattern and rebounded from 50-day SMA with moderate volume. While, MACD has given a positive crossover and the RSI is at 66 indicating an uptrend for today's session. Aluminium has support at 274 and resistance at 282.

Forex Insight



Dollar Index News

- The dollar index slipped to a one-month low near 98.99 as weaker U.S. jobs data and rising expectations of Federal Reserve rate cuts weighed on the greenback, with markets now pricing in an 87% probability of a 25 bps December cut. The euro touched a six-week high on strong euro zone business activity, while the yen, sterling, and Scandinavian currencies also strengthened against the dollar, reflecting a broad-based USD sell-off. The cooling U.S. macro momentum and increasingly dovish Fed pricing are keeping the dollar index under downside pressure despite pockets of global risk uncertainty.

Technical Overview

- **DOLLAR INDEX :-** Technically, DXY after continues selling pressure dxy broke the support of 99.4 $ and next resistance is at 98.5 $ and resistance is placed at 100 $

Forex Insight



USDINR News

- The Indian rupee weakened for the sixth consecutive session to breach the key psychological 90 level and hit a fresh record low of 90.35 on Dec futures, driven by heavy foreign portfolio outflows, elevated importer dollar demand, uncertainty over the U.S.–India trade pact, and a record-high merchandise trade deficit. With FPIs pulling out nearly $17 billion this year and exporter hedging activity slowing while importer hedging surged to $31 billion in November, the currency remains under sustained pressure. Although strong Q2 GDP growth and expectations of RBI intervention are offering intermittent support, the broader bias for USDINR remains weak amid fading export competitiveness and slowing capital inflows.

Technical Overview

- **USDINR :-** Technically, day trend may remain BULLISH in USDINR after approaching an important support zone of 89.40 level the next support level is placed at 88.80 level and resistance at 90.60 if that breaks then the next resistance will at 91.20

Derivative Insight

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Script	Highest traded Strike Price (CE)	Highest traded Strike Price (PE)	PCR
GOLD	136000	125000	1.56
SILVER	185000	175000	1.75
CRUDE OIL	5400	5300	1.24
NATURAL GAS	450	450	1.42
GOLD MINI	130000	129000	1.01
SILVER MINI	185000	160000	1.40

Highest Traded Commodity	GOLD	Lowest Traded Commodity	MENTHAOIL

Script	Price	Price Change	OI Change%	Buildup
GOLD	130462	0.54 %	-2.02	Short unwinding
SILVER	182352	0.41 %	-2.71	Short unwinding
CRUDE OIL	5336	0.89 %	-1.31	Short unwinding
NATURAL GAS	450	2.53 %	26.90	Long Buildup
COPPER	1076.55	2.82 %	0.24	Long Buildup
ZINC	309	0.98 %	1.90	Long Buildup
ALUMINIUM	278.35	1.33 %	1.18	Long Buildup

Commodity Morning Update

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