



Gold

Spot Gold rose about 0.3 percent, hovering above the 1800 mark, in the week gone by reflecting the weakness in the US Dollar. Also, slowdown in China's economy, mounting geopolitical tension and the recent outbreaks of the new variant of Covid19 virus continued to hamper market sentiments in turn supporting Gold.

The US Central bank announcing to keep the interest rates low and not providing any timeline on withdrawing the economic support in the earlier weeks boosted appeal for the bullion metals. However, the US FED Chair Jerome Powell stated that there might be some tapering of the bond purchases later this year which limited the gains for Gold.

Any kind of positive data set from US will indicate towards tapering of the monetary policy and weigh on Gold. However, slow growth in China, surge in the virus infected cases & a weaker Dollar might support Gold in the week ahead.

This week we expect gold prices to trade higher towards Rs.47,800/10 gms. (CMP: Rs.47321/10 gms).

Base metals

Most industrial metals on the LME ended lower in the week gone by following signs of slowdown in China's industrial activities. Reports stated that China's Caixin Manufacturing Purchasing Managers Index slid into contraction (below 50) in August'21 as increased covid-19 led restrictions, increasing energy usage limitations and high raw material prices took a hit on China's industrial sector.

However, China's official manufacturing Purchasing Manager's Index (PMI) came down to 50.1 in August'21 from 50.4 in July'21, data as per the National Bureau of Statistics. Signs of slowdown in the manufacturing sector of the world's largest metal consuming economy pressured the base metal prices.

Aluminium prices have gained over 29 percent on LME & MCX in 2021 as environmental curbs imposed in China took a hit at their smelter operating rates raising worries of potential shortage. Data as per the Antaika showed that

China has cut more than 2 million tonnes of annual aluminium producing capacity with more to come in the times ahead. Disrupted supply from top producer China might continue to support Aluminium prices in the coming months.

LME Copper ended lower by 1.5 percent as worries over slowdown in China's economy and easing supply threats pressured Copper prices. Worries over slowdown in China's economy might continue to remain a considerable headwind for the industrial metal's spectrum.

We expect Copper prices to trade sideways to lower towards Rs.700.0/kg. (CMP: Rs.716.3/kg).

Oil

Last week, WTI Crude prices rose over 1 percent as bets over revival in global fuel demand and a larger than expected withdrawal of US Crude inventories supported market sentiments. As per reports from the Energy Information Administration, US Crude inventories were down by 7.2 million barrels surpassing the market expectation of 2.5 million barrels drop.

The gains for Crude were limited as slow growth in China's industrial segment in August'21 and widening impact of the pandemic amid OPEC's plan to increase output raised worries of excess of Crude in the global markets.

Gradual recovery in the U.S. Gulf Coast's Oil producing capacities post the hurricane and optimism over recovery in Oil demand might continue to support Oil prices in the week ahead. However, slow growth in China and pandemic woes keeps the demand outlook gloomy.

This week, we expect oil prices to trade higher towards Rs.5300 mark. (CMP: Rs.5132/bbl).

Commodity	Weekly Trend deciding levels				Trend
	S1	S2	R1	R2	
Gold Oct	46440	45640	47840	48440	Sideways
Spot Gold \$	1790	1759	1844	1867	Sideways
Silver Dec	61600	59100	65900	68600	Sideways
Spot Silver \$	23.35	22.41	24.98	26.01	Sideways
Copper Sep	697	684	726	738	Sideways
Zinc Sep	439	433	450	456	Sideways
Lead Sep	177	173	186	191	Up
Aluminium Sep	209	207	216	220	Up
Nickel Sep	1404	1379	1469	1504	Sideways
Crude Oil Sep	5000	4860	5330	5510	Up
N G Sep	332	321	354	365	UP

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