

XFlow MARKETS

PULSE

COMMODITY-REPORT

17.05.2023



COFFEE

CMP – \$186.35

COFFEE is trading at \$186.28, 0.02% down since previous close. The agri-commodities weakened since last two sessions against the strong USD as tension looms over U.S debt-ceiling talks which is expected to be concluded in this week. This can weaken up the Brazilian Real (BRL) currency & hence, the Brazilian farmers may fetch lower profits while exporting the beans to U.S. Earlier, the risk of lesser supplies from Colombia due to the changing climatic conditions made the Coffee expensive; for Colombia is the world's second largest bean producer. As seen in the chart, the Coffee is trading near lower trend-line of channel pattern & also, the ADX line is trading sideways indicating the indecisive momentum. Wait & watch strategy may be adopted for the day in Coffee prices.

Resistance – \$190.88-\$195.40

Pivot -\$188.28

Support – \$183.47-\$180.93

Expected Trend- Sideways



SOYBEAN

CMP- \$1356.03

SOYBEAN is trading at \$1356.03, 0.13% down since previous day close. The recent weekly USDA report showed a rise in exports & supplies for the week which turned out to be negative for prices. Globally, the rising supplies against the steady demand led the weakness in prices. The mixed USD post higher U.S inflation rate figures & ongoing U.S debt ceiling talks remains significant for beans & other agri-commodities. The change in weather conditions in Brazil may increase the plantation & harvesting of beans in future course of time which may lead to excess supply & hence, causes downfall in Soybean prices. Selling bias on higher levels may be suggested in the commodity.

Resistance – \$1389.44-\$1415.76

Pivot -\$1373.22

Support – \$1345.90-\$1330.28

Expected Trend- Bearish



NATURAL GAS

CMP- \$2.337

Natural Gas is trading at \$2.337, 0.06% down since previous day close. The slight profit-booking can be observed in Natural gas prices on Wednesday after rallying to \$2.400 levels earlier in a week. The news spurred in that the Gas producers are expected to lower down the drilling & output levels amid low pricing environment in the year 2023 which pushed up the prices. Last week, the U.S EIA report showed a rise in Natural gas storage levels of 78B higher than expectation 54B. This led slight selling pressure earlier. The changing weather conditions in European & US regions affects the consumption demand of heating fuel. As seen in the chart, the commodity is strongly reversed up from major support level of \$2.00 & hence, buying on each corrective dip may be seen for the day in Natural gas.

Resistance –\$2.422-\$2.507

Pivot –\$2.376

Support – \$2.293-\$2.249

Expected Trend- Bullish



COPPER

CMP- \$8104.3

COPPER is trading at \$8104.3, 0.18% down since previous close. The losses can be seen in copper prices since last two sessions & the same momentum can be extended today as well. The soft Chinese economic figures subdued the Copper prices since China is a major consumer of metals. Ongoing talks between U.S Joe Biden & top officials regarding debt ceiling repayment makes the USD & commodities volatile. Last week, the strong USD as US issued higher inflation rate which raises the chances of aggressive rate hike led selling bias in Copper. The U.S Housing data release will remain in focus for the day. As seen in the chart, the Copper slid down to previous lows which acts as a major support level & a make or break situation may be noticed on an intraday.

Resistance – \$8190-\$8276

Pivot –\$8135

Support- \$8049-\$7994

Expected trend- Bearish

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