

XFlow MARKETS

PULSE

COMMODITY-REPORT

06.07.2023



COFFEE **CMP – \$158.08**

COFFEE traded at \$158.08, 0.21% down during the previous close. The selling bias can be seen in Coffee prices against the strong USD as Fed Meeting Minutes strengthened the chances of interest rate hike in the near future; for this weakened the Brazilian Real (BRL) currency. Besides this, the rising U.S-China trade tensions remains vital for agri-commodities since this may affect its consumption demand. Earlier, the change in climatic conditions in Brazil turning favorable for Coffee production & supplies dragged down the prices since Brazil is a top producer of beans. As seen in the chart, the Coffee almost crossed down the previous lows which acts as major support & hence, selling bias may be extended further if downside continued to prevail.

Resistance – \$160.60-\$163.25 **Pivot -\$159.21**
Support – \$156.65-\$155.21 **Expected Trend- Bearish**



SOYBEAN **CMP- \$1360.03**

SOYBEAN traded at \$1360.03, 0.03% up since previous day close. The mild recovery can be seen in Soybean prices on Thursday despite strong USD on higher chances of rate hike stance as mentioned by FOMC Minutes. The weekly USDA report showed a drop-down in beans weekly sales & exports level which signals for lesser supplies & hence, made the commodity expensive. On global front, the growing tension between U.S & China & upcoming U.S NFP data event remains vital for agri-commodities. Last week, the changing weather conditions in Argentina which turned favorable for beans plantation & supplies made the Soybean less expensive. Slight buying bias may be recommended in Soybean.

Resistance – \$1376.44-\$1393.76 **Pivot -\$1357.22**
Support – \$1341.90-\$1321.28 **Expected Trend- Bullish**



NATURAL GAS **CMP- \$2.634**

Natural Gas is trading at \$2.634, 0.12% down since previous day close. The downward momentum can be seen in Natural gas prices ahead of the release of U.S Energy Information Administration (EIA) report which will show the changes in Natural gas storage level as compared to last week. Earlier in this week, the commodity tested \$2.900 levels amid rise in consumption demand of heating fuels from U.S & European regions on changing weather conditions. Last week, the U.S EIA report showed a rise in Natural Gas storage level by 76B lower than expectation 83B. Buying on corrective dip may be recommended for the day in Natural Gas since the commodity seems to be taking a support of short-term MA (10) & MA (20).

Resistance –\$2.748-\$2.843 **Pivot -\$2.695**
Support – \$2.600-\$2.547 **Expected Trend- Bullish**



COPPER

CMP- \$8258.3

COPPER traded at \$8258.3, 0.09% down since previous close. The selling pressure continued to be seen in copper prices amid global cues. The tension between U.S & China escalated as the latter imposes curbs on exports of chipmaking materials to U.S i.e., gallium & germanium; for China is a top consumer of base metals. This subdued the copper prices. The Fed Minutes strengthened the chances of interest rate hike in near future in order to curtail down inflation rate which pushed up the USD & weakened the base metals. Upcoming event of U.S NFP data release will remain significant for commodities. As seen in the chart, the Copper reversed down from short-term MA (10) & MA (20) & MA (200) which indicates slight selling bias on the daily basis.

Resistance – \$8365-\$8415

Pivot –\$8301

Support- \$8251-\$8187

Expected trend- Slight Bearish

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