

XFlow MARKETS

PULSE

COMMODITY-REPORT

31.07.2023



COFFEE **CMP – \$158.72**

COFFEE traded at \$158.72, 0.31% down since previous close. The rise in supplies against the demand amid of favourable climatic conditions led the selling pressure in Coffee prices in the last week. However, the steady USD ahead of the U.S Non-farm Payroll data release event due later in this week will remain vital for Brazilian Real (BRL) currency & Coffee prices. Earlier to this, the Fed hiked an interest rate by 25bps as expected & hinted for one more rate hike later in this year. This turned out to be positive for Coffee prices since Brazilian farmers may fetch higher profits while exporting the beans to U.S. As seen in the chart, the Coffee retraced down from initial Fibonaci level of 23.6 which acts as a resistance level & hence, slight selling bias may be established for the day.

Resistance – \$160.15-\$162.74 Pivot -\$158.82
Support – \$156.47-\$155.47 Expected Trend- Bearish



SOYBEAN **CMP- \$1357.03**

SOYBEAN traded at \$1357.03, 0.21% down since previous day close. The profit-booking can be witnessed in Soybean on Monday amid steady USD as market waits for the result of U.S Non-farm Payroll data which is to be issued later in this week. The soft USD after Fed followed an expected move of 25bps interest rate hike & stated the lesser possibility of recession hitting the U.S economy; made the agri-commodities to trade on positive note. The changing climatic conditions in Argentina remains vital for Soybean prices; for Argentina is a major producer of beans. Selling on rallies may be recommended for the day in Soybean since the commodity successfully crossed down the short-term Moving Averages.

Resistance – \$1395.44-\$1409.76 Pivot -\$1387.22



NATURAL GAS **CMP- \$2.647**

Natural Gas is trading at \$2.647, 0.01% up since previous day close. A very tight range can be seen in Natural gas since last two sessions amid mild changes in demand & supply ratio. Last week, the U.S Energy Information Administration (EIA) report showed a build-up in Natural Gas inventory levels by 16B as against the expectation 12B. This indicates shortage in storage & supplies levels & hence, prices moved up. The change in weather conditions in U.S & European regions; turning colder than normal increases the consumption demand of heating fuels like Natural gas. Upcoming U.S NFP data release event remains significant for the prices. Buying on lower side may be recommended for the day in Natural Gas if commodity sustains the MA (10) & MA (20).

Resistance –\$2.690-\$2.746 Pivot -\$2.621
Support – \$2.568-\$2.502 Expected Trend- Slight Bullish



COPPER

CMP- \$8640.3

COPPER traded at \$8640.3, 0.02% up since previous close. The Copper trades flat on Monday as China issued mixed PMI figures; which may limit the consumption demand of copper since China is a major consumer of metals. Optimism looms over ongoing Chinese stimulus talks in order to support economic growth which may turn out to be supportive for copper prices. The steady USD on account of Fed's expected move of 25bps rate hike stance & upcoming U.S NFP data release event may remain significant for metals. The declining Copper stocks level at (LME) made the commodity expensive. As seen in the chart, the Copper is expected to take a support of MA (10) & hence, buying on lower side may be suggested for the day.

Resistance – \$8699-\$8740

Pivot –\$8636

Support- \$8595-\$8532

Expected trend- Bullish

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