

XFlow MARKETS

PULSE

COMMODITY-REPORT

02.08.2023



COFFEE

CMP – \$164.72

COFFEE traded at \$164.82, 0.08% up since previous close. The flat to higher side trading can be seen in Coffee prices in the previous session & is expected to trade steady amid mixed global cues. The steady US Dollar after Fitch downgrades U.S economy from AAA to AA+ can turn up bearish for other currencies & commodities. Earlier, the rise in demand against the supplies from major parts of the world led the buying pressure in Coffee prices. The Fed hiked an interest rate by 25bps as expected & hinted for one more rate hike later in this year which turned out to be positive for Coffee prices since Brazilian farmers may fetch higher profits while exporting the beans to U.S. Wait & watch strategy may be adopted for the day in Coffee prices.

Resistance – \$167.15-\$169.74 Pivot -\$164.82
Support – \$162.47-\$159.47 Expected Trend- Slight Bullish



SOYBEAN

CMP- \$1339.03

SOYBEAN traded at \$1339.03, 0.01% up since previous day close. The range bound trading can be seen in Soybean prices since last few sessions amid mixed USD & other global factors. The market waits for the result of U.S Non-farm Payroll data which is to be issued later in this week which remains vital for agri-commodities like Coffee & Soybeans. Besides this, the changing climatic conditions in Argentina increases the production & supplies level of beans & hence, made the commodity less expensive; for Argentina is a major producer of Soybeans. Selling on rallies may be recommended for the day in Soybean since the commodity successfully crossed down the short-term Moving Averages.

Resistance – \$1346.44-\$1354.76 Pivot -\$1336.22
Support – \$1329.90-\$1318.28 Expected Trend- Bearish



NATURAL GAS

CMP- \$2.572

Natural Gas is trading at \$2.572, 0.01% down since previous day close. The slight selling pressure can be seen in Natural gas amid rise in supplies against the steady demand across the globe. 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 earlier. The change in weather conditions in U.S & European regions; turning colder than normal increases the demand of heating fuels like Natural gas. However, upcoming U.S NFP data release event remains significant for the prices. The cautious trading may be recommended in Natural gas since the commodity is hovering within the Moving Averages.

Resistance –\$2.646-\$2.731 Pivot –\$2.585
Support – \$2.500-\$2.439 Expected Trend- Sideways



COPPER

CMP- \$8548.3

COPPER traded at \$8548.3, 0.22% down since previous close. The Copper saw a wide sell-off in the previous sessions against the strong USD after Fitch downgraded the U.S economy's credit rating from AAA to AA+ which may affect the country's manufacturing & industrial activities & hence, may reduce the demand of metals. Earlier, the prices surged up amid rise in demand from China; as optimism looms over ongoing Chinese stimulus talks in order to support economic growth. Upcoming U.S NFP data release later in this week may remain significant for commodities. The declining Copper stocks level at (LME) made the commodity expensive. As seen in the chart, the copper slid down to MA (200) which acts as major support level. Wait & watch strategy may be adopted further.

Resistance – \$8750-\$8875

Pivot –\$8683

Support- \$8558-\$8491

Expected trend- Neutral

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