

XFlow MARKETS

PULSE

COMMODITY-REPORT

08.08.2023



COFFEE

CMP – \$162.72

COFFEE traded at \$162.92, 0.09% up since previous close. The mild recovery can be seen in Coffee prices ahead of the result of U.S inflation data which is to be out on Thursday. Last week, the commodity tested one-month highs of \$168 levels amid rise in demand against the supplies from major parts of the world. Moreover, the change in climatic conditions in Brazil affecting the Coffee production & supply levels made the commodity expensive. The mixed USD will remain vital for Brazilian Real (BRL) currency & Coffee prices since this may affect the profit fetched by Brazilian farmers while exporting the beans to U.S. As seen in the chart, the Coffee is hovering near MA (10) & MA (20) & hence, sideways trading may be recommended for the day.

Resistance – \$165.10-\$167.40

Pivot -\$162.53

Support – \$160.29-\$157.66

Expected Trend- Sideways



SOYBEAN

CMP- \$1290.03

SOYBEAN traded at \$1290.03, 0.22% down since previous day close. The selling pressure can be seen in Soybean, crossing down the major support of \$1300 levels on Monday. The consistent change in weather conditions in Argentina which turned favourable for Soybean production & hence, increases the supplies; for Argentina is a major producer of beans The weekly USDA report showed a rise in weekly exports last week which weigh down the Soybean prices. The mixed USD ahead of U.S inflation data release event & U.S credit rating cut by Fitch led come sort of selling pressure in beans. Selling on rallies may be recommended for the day in Soybean since the commodity is firmly trading below the Moving Averages.

Resistance – \$1315.44-\$1330.76

Pivot -\$1303.22

Support – \$1288.90-\$1276.28

Expected Trend- Bearish



NATURAL GAS

CMP- \$2.704

Natural Gas is trading at \$2.705, 0.13% up since previous day close. The Natural Gas seems to be trading on higher side on an account of strong demand against the lower supplies. The frequent change in weather conditions in U.S & European regions; widely affects the consumption demand of heating fuels like Natural gas. Last week, the US Energy Information Administration (EIA) report showed a rise in Natural gas inventory levels by 14B lower than expectation 18B. This indicates shortage in storage & supplies levels & hence, prices moved up. Upcoming U.S inflation data release event remains significant for the prices later in this week. Buying bias may be continued further if Natural Gas succeeds to breach the MA (200) on daily basis.

Resistance –\$2.798-\$2.862

Pivot -\$2.688

Support – \$2.624-\$2.514

Expected Trend- Bullish



COPPER

CMP- \$8412.3

COPPER traded at \$8412.3, 0.11% up since previous close. The selling pressure can be seen in copper prices since last two sessions as traders remain cautious ahead of the release of U.S inflation data due to be out on Thursday. Also, the China is to reveal its CPI & PPI data on Wednesday which will be closely monitored since China is a major consumer of base metals. Last week, the Fitch downgraded U.S long-term credit rating from AAA to AA+ which may affect the country's manufacturing & industrial activities & hence, may reduce the demand of metals. As seen in the chart, the copper slid down to lower trend-line of channel pattern which acts as a major support level & hence, wait & watch strategy may be adopted further.

Resistance – \$8552-\$8618

Pivot –\$8512

Support- \$8446-\$8406

Expected trend- Bearish

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