

XFlow MARKETS

PULSE

COMMODITY-REPORT

21.09.2023



COFFEE

CMP – \$158.52

COFFEE traded at \$ 158.57, 0.09% down since previous close. The downward momentum can be seen in Coffee prices after rallying to higher side in last week. The strong USD as Fed Powell hinted for hawkish stance with one more rate hike in this year may turn out to be negative for Brazilian Real (BRL) currency vis-à-vis Coffee prices. However, the changing climatic conditions in Brazil tuning drought like situation which affects the production & supplies of Coffee beans cushioned the prices; for Brazil is a major producer of beans. As seen in the chart, the Coffee seems to be consolidating near the short- & long-term Moving Averages which shows either side breakout. Sideways trading strategy may be adopted for the day in coffee.

Resistance – \$160.62-\$163.04

Pivot -\$159.10

Support – \$156.45-\$155.14

Expected Trend- Neutral



SOYBEAN

CMP- \$1308.03

SOYBEAN is trading at \$1308.03, 0.12% down since previous day close. The slight downside can be seen in Soybean prices against the strong USD as Fed hinted for hawkish stance with one more rate hike in this year in order to control the stocky inflation rate. This weigh down the agri-commodities since they are inversely correlated with USD. The changing climatic conditions in Argentina may remain vital for Soybean prices; for Argentina is a top producer of beans. As seen in the chart, the Soybean is consistently trading below the short-term MA (10) & MA (20) & MA (100) which indicates a selling pressure if downside prevailed further. Selling bias may be suggested for the day in Soybean.

Resistance – \$1325.44-\$1330.76

Pivot -\$1317.22

Support – \$1312.90-\$1305.28

Expected Trend- Bearish



NATURAL GAS

CMP- \$2.731

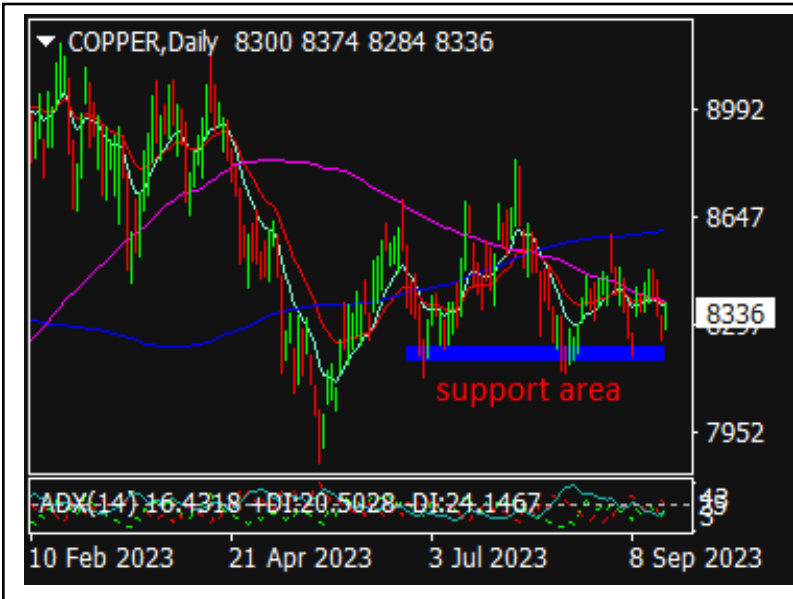
Natural Gas is trading at \$2.731, 0.08% up since previous day close. The mild buying pressure can be seen in Natural Gas prices since last few sessions amid steady demand & supply ratio. Last week, the U.S Energy Information Administration (EIA) report showed a rise in Natural Gas inventory level by 57B higher than expected build-up of 51B. This signals for higher storage & supplies levels & hence, dragged down the prices. Earlier, the prices traded at higher levels amid rising consumption demand of heating fuels from U.S & European regions on account of change in weather conditions. As seen in the chart, the commodity seems to be taking a support of short-term Moving Averages & hence, buying on lower level may be recommended for the day.

Resistance –\$2.766 -\$2.813

Pivot -\$2.727

Support – \$2.680-\$2.641

Expected Trend- Bullish



COPPER

CMP- \$8336

COPPER traded at \$8336.3, 0.02% up since previous close. The flat trading can be seen in copper prices on Thursday as USD climbed up to 6-month highs after U.S Fed hinted for hawkish stance with the chances of one more interest rate hike in this year. Last week, the Chinese PBoC cut-down its Reserve Requirement Ratio (RRR) by 25bps which may boost the industrial activities & hence, may increases the demand of copper later on since China is a major consumer of base metals. As seen in the chart, the Copper reversed up after testing the cluster support & crossed over the long-term MA (100) & short-term MA (10). However, the commodity is still consolidating & hence, sideways trading may be suggested for the day.

Resistance – \$8378-\$8421

Pivot –\$8331

Support- \$8288-\$8241

Expected trend- Slight Bullish

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